MISSOURI DEVELOPMENT FINANCE BOARD
A Component Unit of the State of Missouri

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013

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For the Fiscal Year Ended June 30, 2013

Prepared By The Accounting Department
Krystal Davis, CPA, CGMA • Controller
Dawn Holt, CPA • Senior Accountant

Missouri Development Finance Board
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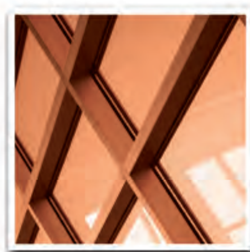

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INTRODUCTORY SECTION

MISSOURI DEVELOPMENT FINANCE BOARD

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Principal Officials

BOARD MEMBERS

Ms. Marie J. Carmichael, Chair
Governor-Appointed Member
Springfield

Committees
Executive, Personnel, Finance, Audit
SSGPPC Board Member

Mr. Reuben A. Shelton
Vice Chairman
Governor-Appointed Member
Kansas City

Committees
Executive, Personnel, Finance

Mr. Larry D. Neff, Secretary
Governor-Appointed Member
Neosho

Committees
Executive, Personnel, Audit

Mr. John E. Mehner, Treasurer
Governor-Appointed Member
Cape Girardeau

Committees
Executive, Personnel, Finance

Mr. Kelley M. Martin
Governor-Appointed Member
Kansas City

Committees
Finance
SSGPPC Board Member

Mr. Patrick J. Lamping
Governor-Appointed Member
Barnhart

Committees
Audit
SSGPPC Board Member

Mr. Bradley G. Gregory
Governor-Appointed Member
Bolivar

Committees
Audit

Mr. Matthew L. Dameron
Governor-Appointed Member
Kansas City

Committees
Audit

The Honorable Peter D. Kinder
Lieutenant Governor
Ex-Officio Member

Mr. Mike Downing,
Acting Director,
Department of Economic Development
Ex-Officio Member

Dr. Jon Hagler, Director
Department of Agriculture
Ex-Officio Member

Ms. Sara Pauley, Director
Department of Natural Resources
Ex-Officio Member

Board membership consists of eight volunteer members appointed by the Governor and confirmed by the Senate, and four ex-officio members.

Organizational Chart

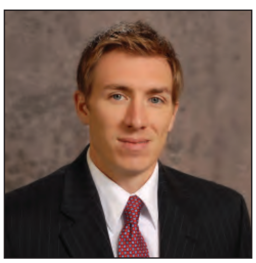
STAFF

Robert V. Miserez
Executive Director

Accounting Department

Krystal Davis, CPA, CGMA
Controller

Dawn Holt, CPA
Senior Accountant



Ryan Vermette
Compliance Officer

Program Staff

Kathleen Barney
Senior Portfolio Manager

Kimberly Martin
Community Development Program Manager

Alice Bernard-Jones
International Business Manager

Support Staff

Valerie Haller
Executive Assistant

Erin Carel
Administrative Assistant

Board Counsel
Mr. David Queen
Gilmore & Bell, P.C.

Independent Certified Public Accountants
Heidi A. Chick, CPA
Williams-Keepers LLC

Transmittal Letter

Missouri Development Finance Board

September 5, 2013

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri for the fiscal year ended June 30, 2013. The Accounting Department prepared this report, while responsibility for both the accuracy of the presented data and the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that was established for this purpose, rests with the Board. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams-Keepers LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Missouri Development Finance Board's financial statements for the year ended June 30, 2013. The Independent Auditors' Report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read with it as well.

Profile of the Government

The Missouri Development Finance Board is a "body corporate and politic" created by the State of Missouri. Its statutory citation is the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850. The Board's primary function is to structure and participate in the financing of Missouri business and public infrastructure. The Board is classified as a proprietary fund and is a discretely presented component unit within the State of Missouri's Comprehensive Annual Financial Report.

The original development board was created by Missouri statute in 1982 as the Missouri Industrial Development Board. The current legislative authorization dates to 1993 and was the fourth major statutory change since 1982. Each of these changes resulted in increased authority and responsibility for the Board in economic development and infrastructure financing.

The Board provides a diverse array of financing programs to carry out its mission of facilitating economic and infrastructure development projects. The Board administers 12 different programs and has 2 component units that correspond to its mission to benefit the citizens of the State of Missouri. The Board's programs include:

1. **Revenue Bonds for Private Commercial and Nonprofit Projects**
   Pursuant to RSMo Section 100.275, the Board is authorized to issue revenue bonds for purposes permitted under RSMo Section 100.255, including the purchase, construction and improvement of facilities used for manufacturing and other commercial purposes, and for recreational and cultural facilities.

2. **Revenue Bonds for Public Infrastructure Projects**
   The Board also is authorized to issue its revenue bonds to finance essential infrastructure improvements and related work for local governments, State agencies and qualified public/private partnerships.

3. **Tax Credit for Contribution Program**
   RSMo Section 100.286.6 authorized the Tax Credit for Contribution Program. Through this program, the Board is authorized to grant tax credits equal to fifty percent of contributions made to the Board. Contributions are used to pay the costs of projects for Missouri governmental, quasi-governmental and nonprofit entities which have been approved by the Board. Per statute, during any calendar year, the Board can authorize no greater than $10 million. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Directors of the Department of Economic Development and Revenue and the Commissioner of Administration, but in no event shall authorizations exceed $25 million in a calendar year.

4. **Tax Credit Bond Enhancement Program**
   The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of public entities for certain bonds. This program uses the Board's bond tax credits as collateral.

5. **Direct Loan Program**
   The Direct Loan Program provides direct loans at reasonable interest rates.

6. **BUILD Missouri (Business Use Incentives for Large-Scale Development) Program**
   The BUILD Missouri Program authorized under RSMo Sections 100.700 to 100.850 is an incentive tool that allows the Department of Economic Development and the Board to finance a portion of the costs of qualifying capital investments for eligible businesses that seek to locate or expand in Missouri and create a significant number of new jobs. The incentives offered by BUILD are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive.

7. **Missouri Infrastructure Development Loan Program (MIDOC)**
   The MIDOC Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. Water and sewer projects addressing public health and safety receive priority. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects. Interest rates are three percent with a maximum loan amount of $150,000; however, if there is a critical need and with Board approval, this maximum loan amount may be exceeded.

8. **Loan Guarantees**
   The Board is empowered under RSMo Sections 100.250 to 100.297, as amended, to guarantee loans to credit-worthy businesses which cannot otherwise obtain credit at reasonable rates and terms in order to create or retain full-time employment.

9. **City/State Partners Program**

The City/State Partners Program is a corporate agreement between the Ex-Im Bank and state and local entities around the country to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. The Board markets programs offered by the Ex-Im Bank and packages applications for these programs. The Board's relationship with the Ex-Im Bank provides Missouri companies a direct line to export financing. In addition, the Board's relationship with the U.S. Small Business Administration (SBA) and the State Treasurer's Office provides loan programs to support the production of goods and services for export.

10. **Missouri Downtown Economic Stimulus Act (MODESA)**

The MODESA Program is an incentive tool that allows the Department of Economic Development and the Board to facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure. A portion of the new State and local taxes created by a project can be diverted to fund eligible public infrastructure and related costs for a period of up to 25 years. The local match must be, at a minimum, 50% of the amount of the new local sales tax (and earnings tax in St. Louis and Kansas City) and 100% of the amount of the new real property tax created by the project each year; or a comparable amount of local funds from the city/county or a non-profit organization.

11. **Downtown Revitalization and Economic Assistance for Missouri (DREAM)**

The DREAM Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The DREAM Initiative is created through a partnership between the Missouri Development Finance Board, the Missouri Department of Economic Development and the Missouri Housing Development Commission.

12. **Small Business Loan Program**

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03. This E.O. directed the Department of Economic Development to work with the Board "to create a pool of funds designated for low-interest direct loans for small businesses." In response, the Board established a $2 million fund. Loans are for $25,000 or less, bear interest at 3%, and can be used for capital and operational needs.

To better utilize the program, in December 2010 the Board voted to increase the maximum loan amount to $50,000 and authorized an increase in the maximum number of employees from 5 to 15. In June 2011, the Small Business Loan Program was expanded to provide financial assistance and access to capital for businesses located in Presidentially-declared disaster areas within the State. Businesses impacted by the flooding or tornados of 2011 are first required to apply and be denied disaster assistance by the U.S. Small Business Administration. Once approved by the Board, these loans are permitted a choice of a 3% interest rate with a 2-year principal and interest deferral or 1% interest rate for the 10-year term of the loan. These businesses are not required to meet the number of employees requirement defined above.

13. **Missouri Community Investment Corporation (MCIC)**

The MCIC is a discretely presented component unit of MDFB. The Board members of MDFB as well as five additional members, serve as the Board for the MCIC. The MCIC is a non-profit organization established for the primary purpose to serve as a qualified community development entity (CDE) in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. In October 2007, MCIC was notified that it would not receive an allocation of tax credits. The MCIC will be inactive until such an allocation is received.

14. Seventh Street Garage Public Parking Corporation (SSGPPC)

The SSGPPC is a blended component unit of MDFB and is reported within the Parking Garage Fund. SSGPPC is a legally separate corporation and meets the requirement for a charitable corporation under Federal income tax section 501(c)(3). Three Board members of MDFB serve as members for the SSGPPC. The SSGPPC was established primarily to serve as a qualified active low-income business (QALICB) located in a low-income census tract as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC is responsible for the maintenance and operations of a garage at 601 Locust Street in St. Louis, Missouri, known as the Seventh Street Garage.

Economic Conditions

Per the Missouri of Department of Economic Development's *2013 Missouri Economic Report*, the total number of new job postings from June 2012 through June 2013 totaled 258,603 for the State. The industry with the most postings was hospitals. Hospitals added 20,915 jobs followed by: Banks, Insurance Companies, Colleges & Universities, Health Practitioner Offices, Employment Services, Computer Systems Design, Hotels and Other Accommodations, Restaurants and Management and Technical Consulting The State's unemployment currently stands at 6.9 percent compared to the 7.6 percent national unemployment rate. Missouri's unemployment rates have been lower than the U.S. rate for 47 consecutive months.

During the fiscal year ended June 30, 2013, the Board contributed to the growth in the Missouri economy by approving BUILD incentives of $20.8 million to seven companies to leverage investment in Missouri of approximately $218.7 million. In addition, the Board approved $2,000,000, $4,492,830 and $65,000 in tax credits, respectively, for the National Blues Museum in St. Louis, the UMKC Student Housing & Garage in Kansas City and the Katy Bridge Rehabilitation Project in Boonville. Likewise, the Board assisted the Nelson Gallery, the City of Independence, the City of St. Joseph, the City of Branson as well as the State of Missouri in their efforts to save their respective entities money through refunding a total of 13 conduit bonds.

Long-Term Financial Planning

In previous fiscal years, the Board has maintained a natural hedge against rising interest rates to offset bond interest expense through its cash reserves. However, over the past five years there has been an increase in requests for assistance in the form of grants and program funding. All requests have been geared towards the Board stepping up to assist the State in stimulating job development throughout Missouri. These trends, along with a decreased interest rate environment, have led to a decrease in unrestricted Board cash reserves. The Board will work to replenish reserves as well as further reduce debt obligations. In July 2013, the Board approved the operating budget for fiscal year 2014, and within the budget granted preliminary approval of the early redemption of a portion of the debt each year.

The Board continues to evaluate the purchase option on the Old Post Office (OPO) in St. Louis. The Board acquired title to the vacant OPO in 2004 from the General Services Administration of the United States at no cost. The Board then executed a 99-year lease of the OPO with St. Louis Custom House and Post Office Building Associates, LP to rehabilitate the property. Per the master lease agreement, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of fair market value or the development debt outstanding. Only the Board or the State of Missouri is permitted to own the property.

Relevant Financial Policies

The Board accounts for its activities in enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities of a governmental entity that are similar to activities found in the private sector. Budgets are not required for proprietary funds in accordance with generally accepted accounting principles. Likewise, since MDFB is a legally separate entity that does not receive State appropriations, it is not required to adhere to an appropriations budget like departments within the State of Missouri. During 2006, the Board voted to establish an ***operating budget*** for the Industrial Development and Reserve Fund for fiscal year 2007 and future years as a guide to aid in the Board's planning efforts. In March 2008, in order to improve its budget efforts, the operating budget was expanded to contain a three-year projection. For fiscal year 2012, to further enhance the budget projections, the parking garage operations were incorporated into this budget.

In addition, the Board has purchasing procedures in place to handle budgeted and unbudgeted expenses. As per Board policy, non-budgeted expenses between $2,500 and $5,000 must be approved by both the Executive Director and the Controller; non-budgeted expenses greater than $5,000 and less than $10,000 must be approved by the Executive Committee; and non-budgeted expenses in excess of $10,000 must be approved by the full Board.

In January 2013, the Board amended its Investment Policy in response to a request from US Bank to collateralize MDFB deposits with irrevocable standby Letters of Credit issued by the Federal Home Loan Bank. Previously, the Board's investments at US Bank and other financial institutions were collateralized by federal agency discount notes. The ability to use such collateral allowed US Bank and other institutions holding collateral on behalf of the Board to better meet in-house liquidity thresholds. Such collateral was deemed adequate by Board legal counsel, as well as the Missouri State Treasurer's Investment Policy for state and local government investments.

The Board is a public governmental body, as described in RSMo, Section 610.010(4), and therefore is subject to the Sunshine Law. In February 2005, the Board adopted an initial Sunshine Policy. In June 2013, the Board amended its policy to be more comprehensive and detailed. A copy of the revised policy can be requested by contacting MDFB at *www.mdfb.org.*

Major Initiatives

For the fiscal year ended June 30, 2013, the Board implemented GASB Statements No. 62, 63 and 65. GASB No. 62 codifies into GASB the accounting and financial reporting guidance of pre-November 30, 1989 FASB and AICPA pronouncements.

GASB No. 63 provides financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The concept of deferred outflows/inflows of resources was first addressed in GASB Concepts Statement No. 4, Elements of Financial Statements. However, subsequent GASB pronouncements failed to provide definitions of what constituted such resources. Likewise, it was determined that a focus on net position was a better indicator of a government's ability to provide future services. Governments are encouraged to present the *Statement of Net Position* in a format that displays:

Assets + Deferred Outflows of Resources – Liabilities – Deferred Inflows of Resources = Net Position

While GASB No. 63 specifically addressed new reporting requirements for hedging and service concession arrangements, it was not an all-inclusive statement. GASB No. 65 was intended to compliment GASB No. 63 by identifying items that were previously reported as assets and liabilities that should be classified as deferred outflows of resources or deferred inflows of resources. Examples of previously reported items subject to the new requirements include bond refunding and debt issuance costs.. The statement also restricts the use of the term "deferred" to deferred outflows of resources and deferred inflows of resources.

As a result of the adoption of the outlined statements, the following adjustments were made to the Board's financial statements:

- For the fiscal year ended June 30, 2013, the Board's balance sheet is presented as the *Statement of Net Position* utilizing the format recommended by GASB identified above.
- Fiscal year 2012 financial statements were restated as a result of the requirement to retroactively apply the standards.
- The Board retroactively adjusted its beginning net position due to the previous capitalization of bond issuance costs on the Seventh Street Garage Bonds issued in 2010. The adjustment resulted in the effective "expensing" of such costs in 2010 and a corresponding decrease to net position.
- The Board's derivative instrument, an interest rate cap agreement that is tied to the debt issued to assist with funding on the Seventh Street Garage, was specifically identified on the face of the financial statements with the corresponding accumulated decrease in the fair value of hedging derivatives reported as a deferred outflow of resources. The net balance was previously presented in prepaid and other current and noncurrent assets.

Starting in April 2013, the Board voted to consider applications twice a year for the Tax Credit for Contribution Program through a two-funding cycle, the first ending April 30 and the second ending September 30 each year. The Board expects to divide the total $10 million in available credits equally between the two cycles but is not required to do so. Likewise, it is the intent of the Board to honor the $1 million annual set aside for small rural communities and downtowns. Applications for each cycle must be received by the Board on or before the last day of the cycle. Incomplete applications will not be considered and will be returned to the applicant together with an explanation of why the Board has determined it is not complete. The Board may request that applicants present their application at a meeting of the Board. Applicants may be required to submit additional materials to the Board. Any allocation not used in the first cycle will carry-forward to the second cycle. Any tax credits not approved and awarded by the Board lapse at the end of the calendar year and do not carry-forward to the following year. The Board reserves the right to exempt applications from these deadlines and to allocate all of the remaining annual allocation at any time. All applications are subject to approval at the sole discretion of the Board. The amount of any approval may be less than the amount requested.

In addition to funding cycle deadlines, the Board voted to apply evaluation criteria. Projects will be evaluated based upon the following:

Criteria	Criteria Weighting
State Economic Impact	30%
Local Governmental Financial Participation in the Project	20%
Ratio of Total Private to Public Investment in the Project	20%
The "But For" Test	20%
Public Purposes	10%

Explanation of Evaluation Criteria:

State Economic Impact – This criteria will assess the projected benefit of the project on state and local taxes. It includes such factors as the number and quality of jobs, the promotion of tourism, elimination of blighted conditions, and total project investment.

Local Governmental Financial Participation in the Project – This criteria will assess the amount of local support for the project. Direct and indirect support will be considered.

Ratio of Public to Private Investment in the Project – This criteria will assess the private contribution to the cost of the project to the total state and local support for the project.

The "But For" Test – This criteria will assess the extent to which the project would not proceed but for the approval of the assistance requested from the Board. It includes an assessment that the charitable contributions can be raised and whether the project is sustainable without additional assistance from the state. It will also include an assessment of the importance of the public infrastructure facilities to the state and local government.

Public Purposes – This criteria will assess the extent the project will support other public policy goals including encouraging investment in distressed and blighted areas, enhancing employment opportunities to disadvantaged persons and businesses, and/or providing funding to support the construction or expansion of facilities resulting in the expansion of the delivery of services that benefit public health, safety and welfare, and/or the promotion of tourist and cultural facilities.

The Board will continue to evaluate the effectiveness of the new program criteria and make updates and changes as necessary.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MDFB for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirteenth consecutive year that the Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

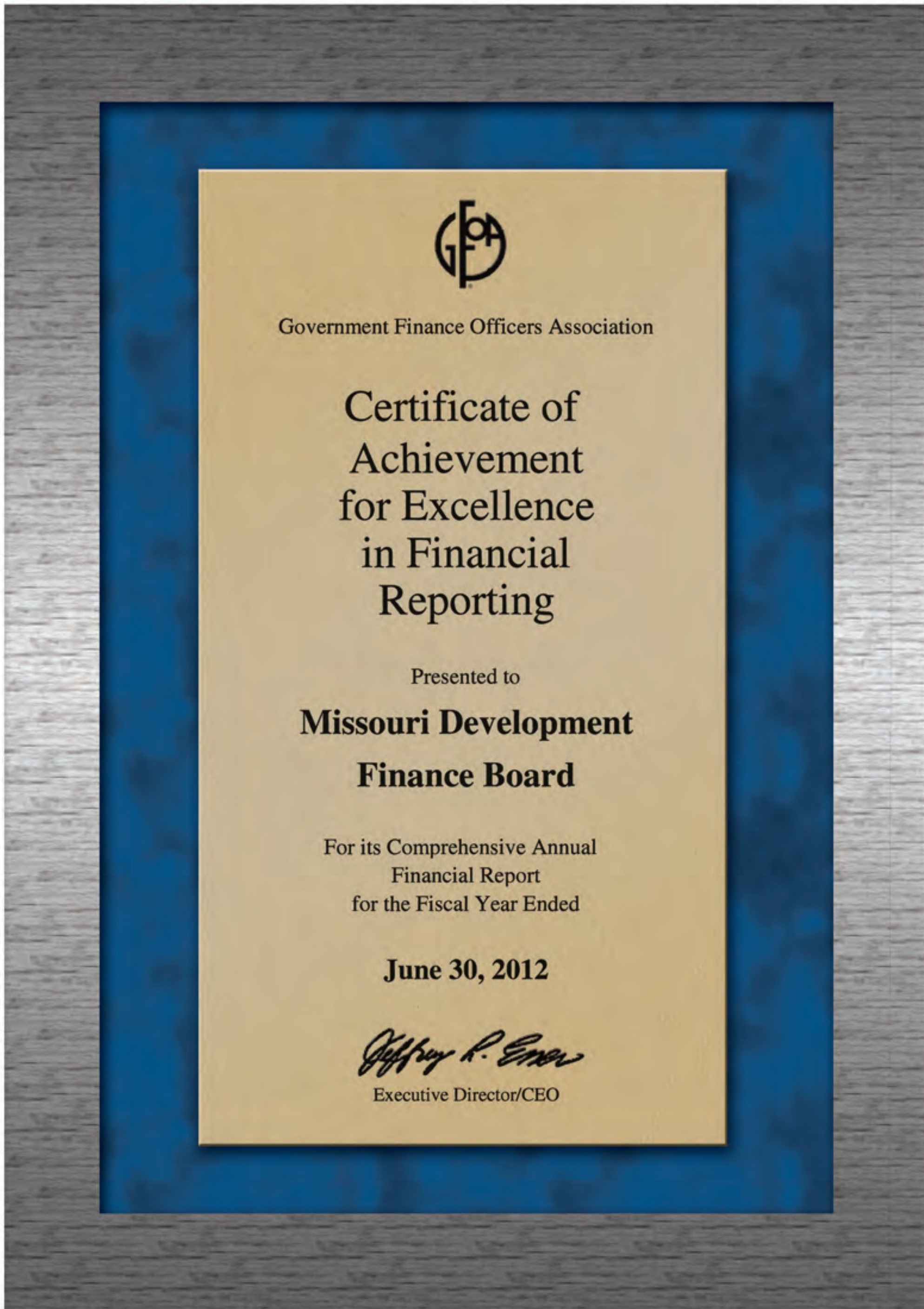
The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated services of all Board staff. We would like to thank the firm of Williams-Keepers LLC and their staff for their assistance in the preparation of this report; John E. Mehner for serving as Board Treasurer; and the MDFB Audit Committee for their oversight and guidance.

Respectfully submitted,

Krystal Davis, CPA, CGMA
Controller

Dawn Holt, CPA
Senior Accountant

GFOA Certificate of Achievement



FINANCIAL SECTION

MISSOURI DEVELOPMENT FINANCE BOARD

A Component Unit of the State of Missouri

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2013

Independent Auditors' Report

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

Members of the Missouri Development Finance Board:

We have audited the accompanying financial statements of the business-type activities and each major fund of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, supplementary information-combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information-combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Williams Keepers LLC

September 5, 2013

Management's Discussion and Analysis

As management of the Missouri Development Finance Board (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of our organization for the fiscal year ended June 30, 2013.

Financial Highlights

- During fiscal year 2013, the Board's total net position decreased by ($440,746). The decrease is primarily attributable to the $5 million grant awarded to the DED Division of Workforce Development, offset by program fee income and parking garage income.

- The Board adopted GASB Statements No. 62 and 63 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 GASB and AICPA Pronouncements* and *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, respectively. As well the Board early implemented GASB No. 65 *Items Previously Reported as Assets and Liabilities*. The Board restated fiscal year 2012 accordingly.

- During fiscal year 2013, due to poor yields, the Board purchased a limited number of investments. At the end of the fiscal year, the Board is holding the majority of its current assets in cash, which is invested in money market accounts that utilize overnight repurchase agreements.

- During fiscal year 2013, the Board paid $172,000 in principal on bonds outstanding. The bonds were issued during 2010 to assist with the financing on the Seventh Street Garage.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. Typically, government financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

However, because the Board uses only proprietary funds which present financial statement information in the same manner as government-wide financial statements only in more detail, we present two components. The Board's basic financial statements include: 1) fund financial statements and 2) notes to the financial statements. In addition to the basic financial statements, the Board has opted to present combining schedules for the Parking Garage Fund and the Revolving Loan Fund as supplementary information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other discretely presented component units of the State of Missouri, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The Board's funds are considered proprietary funds.

Proprietary funds. Proprietary funds consist of two types of funds: internal service funds and enterprise funds. Of the two types of proprietary funds, the Board maintains one type — enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities. Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Industrial Development and Reserve Fund, the Parking Garage Fund, and the Revolving Loan Fund. All funds are considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements.

Combining schedules. The combining schedules have been included as supplementary information to provide additional information for the Board's Parking Garage Fund and Revolving Loan Fund.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities by $83,574,359 at the close of fiscal year 2013, by $84,015,105 at the close of fiscal year 2012, and by $83,632,549 at the close of fiscal year 2011.

Net Position as of June 30

	2013	2012	2011
Current and other assets	$ 61,476,761	$ 60,005,148	$ 60,478,958
Restricted assets	17,501,932	9,806,442	30,496,581
Capital assets	71,806,841	73,676,397	75,387,247
Total assets	150,785,534	143,487,987	166,362,786
Deferred outflows of resources	317,958	353,440	262,927
Current liabilities	496,404	473,220	7,502,363
Noncurrent liabilities	67,032,729	59,353,102	75,490,801
Total liabilities	67,529,133	59,826,322	82,993,164
Net position:			
Net investment in capital assets	17,801,907	19,499,463	15,196,313
Restricted	8,069,284	8,668,115	27,868,870
Unrestricted	57,703,168	55,847,527	40,567,366
Total net position	$ 83,574,359	$ 84,015,105	$ 83,632,549

Unrestricted net position may be used to meet the Board's ongoing obligations to citizens and creditors. Restricted net position is restricted to specific purposes and may not be used for anything else. Capital assets are used to provide services to the citizens of Missouri and are not spendable.

There was no material change in capital assets during fiscal year 2013 or 2012. The decreases are due to accumulated depreciation.

The increase in restricted assets of $7,695,490 from 2012 to 2013 is due to increased funds on hand raised by Tax Credit for Contribution Projects. The decrease in restricted assets of $20,690,139 from fiscal year 2011 to 2012 is due to the release of bank covenants due to debt payoffs and new collateral arrangements. During fiscal year 2012, the Board approved the payment of $15 million in debt outstanding on the Ninth Street Garage. In addition, Pulaski Bank agreed to release the requirement to maintain cash balances of $17.5 million in exchange for a Deed of Trust on the Ninth Street Garage. See Notes 6 and 10.

There was no material change in total net position for the fiscal year 2013 or 2012.

Changes in Net Position for the Years Ended June 30

	2013		2012		2011	
	$	%	$	%	$	%
Operating income	$ 5,295,954	(1201.59)%	$1,540,907	402.79%	$ 1,977,775	(52.00)%
Non-operating revenue (expense)	(5,736,700)	1301.59%	(1,158,351)	(302.79)%	(5,780,893)	152.00%
Change in net position	$ (440,746)	100.00%	$382,556	100.00%	$(3,803,118)	100.00%

Operating income is up $3,755,047 (244%) from the prior fiscal year due to participation fees from a one-time project close-out as well as increased parking garage revenues. Decreases in personnel services and professional fees also have contributed to the higher than normal operating income. As discussed in 2012, the winding down of the DREAM program also has reduced the expenses of the Board.

From 2011 to 2012, operating income is down $436,868 (22%). This decrease is due to lower participation fees, interest on loans and notes receivable, and DREAM revenue. Participation fees from the Tax Credit for Contribution Program have declined in recent years, though fees from new and refunding issuances of revenue bonds and increased Parking Garage revenues have mitigated some of this decline. Interest on loans and notes receivable decreased from 2011 due to a one-time lump sum payment received in 2011 from OPO loan interest. And lastly, DREAM revenue is declining as this program is winding down.

In fiscal year 2013 non-operating expense was up from fiscal year 2012 due a $5 million grant to the DED Division of Workforce Development offset by lower bond interest expenses from the pay-off of the Ninth Street Garage Series 2004 bonds and an interest rate renegotiation on the Seventh Street Garage Series 2010 bonds. The Board also authorized a grant to the DED Division of Workforce Development in fiscal year 2011.

Changes in Net Position for the Years Ended June 30:

	2013	2012	2011
Revenues:			
Participation fees	$4,782,549	$1,631,702	$2,020,427
Interest on loans & notes receivables	570,472	593,558	932,215
Rental income	233,159	233,060	215,918
Parking garage revenue	4,372,019	3,829,013	3,106,486
DREAM revenue	271,426	554,527	826,170
Other income	330,817	425,320	309,999
Non-operating revenues:			
Interest on cash & investments	27,710	68,747	224,592
Total revenues	10,588,152	7,335,927	7,635,807
Expenses:			
Personnel services	806,177	811,731	863,310
Professional fees	155,546	238,806	291,826
Depreciation & amortization (restated for prior years)	1,941,705	1,936,144	1,490,679
Parking garage operating expenses	1,458,828	1,325,879	1,174,816
DREAM expense	603,238	1,158,332	1,272,301
Other expenses	298,994	255,381	340,508
Non-operating expenses:			
Bond expense and interest expense	750,010	1,227,098	1,005,485
Contributions to others	5,014,400	-	5,000,000
Total expenses	11,028,898	6,953,371	11,438,925
Income (loss) (restated for prior years)	(440,746)	382,556	(3,803,118)
Change in net position (restated for prior years)	(440,746)	382,556	(3,803,118)
Net position, beginning of year (restated for prior years)	84,015,105	83,632,549	87,435,667
Net position, end of year (restated for prior years)	$83,574,359	$84,015,105	$83,632,549

- Participation fees increased $3,150,847 (193%) in the current fiscal year. The increase is primarily due to a one- time project close-out. Participation fees decreased $388,725 (-19%) in fiscal year 2012. This decrease is due to lower fee revenue from the Tax Credit for Contribution Program that was mitigated somewhat by higher bond issuance revenue.

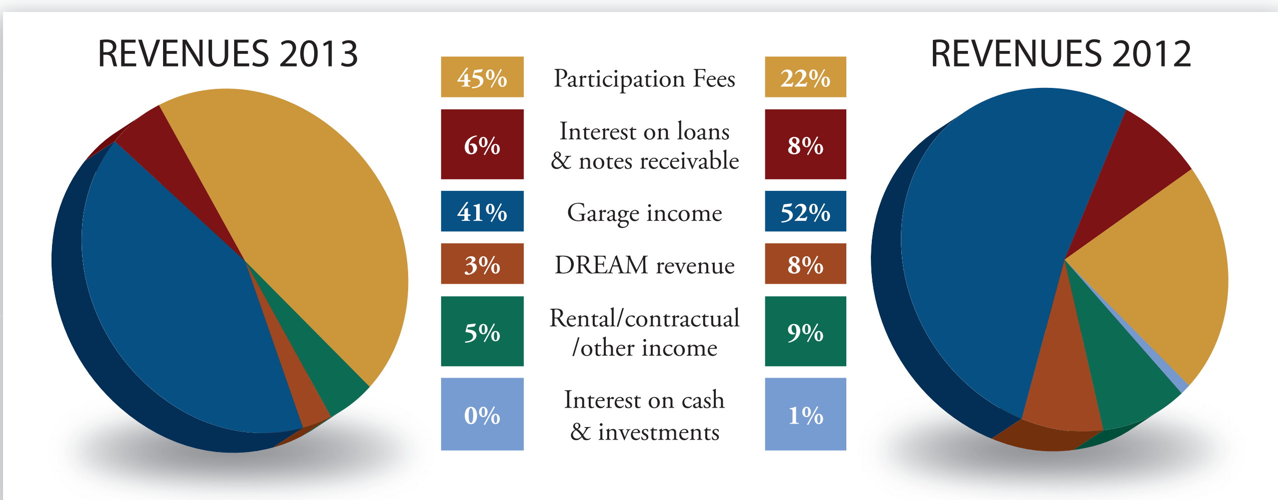
- Interest on loans and notes receivable decreased by $23,086 (4%) in the current fiscal year. The decrease is due to the payoff on the note receivable from the City of Independence during fiscal year 2012. Interest on loans and notes receivable decreased by $338,657 (-36%) in fiscal year 2012. The decrease was due to the Board receiving an additional 0.5% interest on the outstanding $12,723,704 loan on the OPO during fiscal year 2011. This additional 0.5% became due after the OPO met certain operational and cash reserve thresholds. See Note 5.

- Parking garage revenue increased $543,006 (14%) in fiscal year 2013 due to scheduled quarterly increases for lease parkers. Parking garage revenue increased $722,527 (23%) in fiscal year 2012 due to a full year of Seventh Street Garage parking revenues.

- Interest income on cash and investments decreased $41,037 (60%) and $155,845 (69%) for the fiscal years 2013 and 2012, respectively. The decrease in 2013 and 2012 is due to the economic downturn, which drove interest rates down, as well as smaller cash balances on hand. For fiscal years 2013 and 2012, the Board's rate of return on investments was approximately 0.25% and 0.47%, respectively.

- There were no interfund transfers in fiscal year 2013. There was one interfund transfer in fiscal year 2012. The Board transferred $3 million from the Industrial Development & Reserve Fund (IDRF) to the Parking Garage Fund (PGF) to help fund the discretionary redemption of $15 million in debt on the Ninth Street Garage.

- In fiscal year 2013, operating expenses decreased $461,785 (-8%). The decrease is primarily attributable to the winding down of the DREAM program and lower professional expenses offset by higher parking garage operating expenses. In fiscal year 2012, operating expenses increased $292,833 (5%). The primary reason for the increase was higher depreciation and operating expenses due to the inclusion of the Seventh Street Garage, offset by a decrease in personnel services and professional fees.



Capital Assets

The Board's investment in capital assets for its business type activities as of June 30, 2013 is $71,806,841, net of depreciation. This is a decrease of $1,869,556 from fiscal year 2012. The Board's investment in capital assets for its business type activities as of June 30, 2012 was $73,676,397, net of depreciation. This is a decrease of $1,710,850 from fiscal year 2011. This investment in capital assets includes land, buildings, and equipment. The change in the Board's investment in capital assets for fiscal years 2013 and 2012 was (3%) and (2%), respectively. The decrease in capital assets from 2012 to 2013 and 2011 to 2012 is attributable to the recording of depreciation. There were no major capital asset additions or disposals during fiscal years 2013 and 2012.

Capital Assets (net of depreciation)

	2013	2012	2011
Land	$ 7,219,739	$ 7,219,739	$ 7,219,739
Building	64,437,406	66,329,630	68,088,790
Equipment	128,230	96,549	39,215
Leasehold improvements	8,530	14,198	19,868
Vehicle	-	-	-
Accounting software	12,936	16,281	19,635
Total	$71,806,841	$73,676,397	$75,387,247

Additional information on the Board's capital assets can be found in Note 7 to the financial statements.

Long-Term Debt

For the fiscal year ended 2013, the Board's total long-term debt outstanding was $54,004,934. During fiscal year 2013, $172,000 in principal was paid. For the fiscal year ended 2012, the Board's total long-term debt outstanding was $54,176,934. During fiscal year 2012, the Board authorized the full $15 million redemption of the Ninth Street Garage bonds.

None of this amount comprises debt backed by the full faith and credit of the State of Missouri.

Outstanding Debt

	2013	2012	2011
Outstanding bond debt	$54,004,934	$54,176,934	$69,190,934

Additional information on the Board's long-term debt can be found in Note 10 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Missouri Development Finance Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Development Finance Board, Controller, PO Box 567, 200 Madison Street, Suite 1000, Jefferson City, Missouri 65102.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF NET POSITION
JUNE 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Asset				
Current assets:				
Cash	$14,134,544	$ 4,992,942	$ -	$19,127,486
Current portion of loans and notes receivable	109,802	26,436	220,796	357,034
Accrued interest on loans and notes receivable	10,750	19,934	9,515	40,199
Prepaid expense and other assets	59,993	1,154,838	-	1,214,831
Total current assets	14,315,089	6,194,150	230,311	20,739,550
Noncurrent assets:				
Restricted assets	11,855,565	2,900,045	2,746,322	17,501,932
Derivative instrument - interest rate cap agreement	-	69,042	-	69,042
Long-term portion of loans and notes receivable	10,065,147	28,892,960	1,710,062	40,668,169
Capital assets:				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	30,444	64,556,658	-	64,587,102
Total noncurrent assets	21,951,156	103,638,444	4,456,384	130,045,984
Total assets	36,266,245	109,832,594	4,686,695	150,785,534
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	317,958	-	317,958
Liabilities				
Current liabilities:				
Accounts payable and other accrued liabilities	224,486	39,737	260	264,483
Accrued bond interest payable	-	34,725	-	34,725
Payable from restricted assets	-	17,196	-	17,196
Current portion of long-term debt	-	180,000	-	180,000
Total current liabilities	224,486	271,658	260	496,404
Noncurrent liabilities:				
Long-term debt	-	53,824,934	-	53,824,934
Unearned revenue	-	1,822,192	-	1,822,192
Other accrued liabilities	30,038	-	-	30,038
Payable from restricted assets:				
Tax credit for contribution and other deposits	11,355,565	-	-	11,355,565
Total noncurrent liabilities	11,385,603	55,647,126	-	67,032,729
Total liabilities	11,610,089	55,918,784	260	67,529,133
Net Position				
Net investment in capital assets	30,444	17,771,463	-	17,801,907
Restricted				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for revolving loan funds	-	-	4,686,435	4,686,435
Restricted for new market tax credit program fees	-	1,007,849	-	1,007,849
Unrestricted	24,125,712	33,577,456	-	57,703,168
Total net position	$24,656,156	$54,231,768	$4,686,435	$83,574,359

The notes to the financial statements are an integral part of this statement.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF NET POSITION
JUNE 30, 2012

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Assets				
Current assets:				
Cash	$ 6,932,396	$ 7,714,823	$ -	$14,647,219
Investments	2,880,965	-	-	2,880,965
Current portion of loans and notes receivable	-	26,173	211,152	237,325
Accrued interest on investments	35,468	55	-	35,523
Accrued interest on loans and notes receivable	10,750	28,747	31,729	71,226
Prepaid expense and other assets (restated)	34,968	971,863	-	1,006,831
Total current assets	9,894,547	8,741,661	242,881	18,879,089
Noncurrent assets:				
Restricted assets	4,361,520	3,024,313	2,420,609	9,806,442
Derivative instrument - interest rate cap agreement (restated)	-	33,560	-	33,560
Long-term portion of loans and notes receivable	10,174,949	28,919,396	1,998,154	41,092,499
Capital assets:				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	39,066	66,417,592	-	66,456,658
Total noncurrent assets	14,575,535	105,614,600	4,418,763	124,608,898
Total assets	24,470,082	114,356,261	4,661,644	143,487,987
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives (restated)	-	353,440	-	353,440
Liabilities				
Current liabilities:				
Accounts payable and other accrued liabilities	175,851	50,173	646	226,670
Accrued bond interest payable	-	57,354	-	57,354
Payable from restricted assets	-	17,196	-	17,196
Current portion of long-term debt	-	172,000	-	172,000
Total current liabilities	175,851	296,723	646	473,220
Noncurrent liabilities:				
Long-term debt	-	54,004,934	-	54,004,934
Unearned revenue	-	1,956,610	-	1,956,610
Other accrued liabilities	30,038	-	-	30,038
Payable from restricted assets:				
Tax credit for contribution and other deposits	3,361,520	-	-	3,361,520
Total noncurrent liabilities	3,391,558	55,961,544	-	59,353,102
Total liabilities	3,567,409	56,258,267	646	59,826,322
Net Position				
Net investment in capital assets	39,066	19,460,397	-	19,499,463
Restricted				
Restricted for debt service	1,000,000	1,875,000	-	2,875,000
Restricted for revolving loan funds	-	-	4,660,998	4,660,998
Restricted for new market tax credit program fees	-	1,132,117	-	1,132,117
Unrestricted (restated)	19,863,607	35,983,920	-	55,847,527
Total net position (restated)	$20,902,673	$58,451,434	$4,660,998	$84,015,105

The notes to the financial statements are an integral part of this statement.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating Revenues				
Participation fees	$ 4,782,549	$ -	$ -	$ 4,782,549
Interest income on loans and notes receivable	171,636	346,856	51,980	570,472
Rental income	-	233,159	-	233,159
Contractual income	70,000	-	-	70,000
DREAM revenue	271,426	-	-	271,426
Other income	220,066	5,614	5,137	230,817
Administrative services revenue	-	30,000	-	30,000
Parking garage revenues	-	4,372,019	-	4,372,019
Total operating revenues	5,515,677	4,987,648	57,117	10,560,442
Operating Expenses				
Personnel services	806,177	-	-	806,177
Professional fees	120,822	32,997	1,727	155,546
Administrative services agreement	-	30,000	-	30,000
Travel	36,841	1,031	-	37,872
Supplies and other	140,205	109	166	140,480
Depreciation and amortization	16,276	1,925,429	-	1,941,705
Parking garage operating expenses	-	1,458,828	-	1,458,828
DREAM expense	603,238	-	-	603,238
Bad debt expense	-	-	31,341	31,341
Miscellaneous	57,393	1,908	-	59,301
Total operating expenses	1,780,952	3,450,302	33,234	5,264,488
Operating income	3,734,725	1,537,346	23,883	5,295,954
Non-Operating Revenue (Expense)				
Interest on cash and investments	18,758	7,398	1,554	27,710
Bond interest expense	-	(429,760)	-	(429,760)
Bond expense	-	(320,250)	-	(320,250)
Contributions to others	-	(5,014,400)	-	(5,014,400)
Total non-operating revenue (expense)	18,758	(5,757,012)	1,554	(5,736,700)
Change in net position	3,753,483	(4,219,666)	25,437	(440,746)
Net position - beginning (restated)	20,902,673	58,451,434	4,660,998	84,015,105
Net position - ending	$24,656,156	$54,231,768	$4,686,435	$83,574,359

The notes to the financial statements are an integral part of this statement.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2012

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating Revenues				
Participation fees	$ 1,631,702	$ -	$ -	$ 1,631,702
Interest income on loans and notes receivable	178,705	347,783	67,070	593,558
Rental income	-	233,060	-	233,060
Contractual income	70,000	-	-	70,000
DREAM revenue	554,527	-	-	554,527
Other income	262,251	29,733	33,336	325,320
Administrative services revenue	-	30,000	-	30,000
Parking garage revenues	-	3,829,013	-	3,829,013
Total operating revenues	2,697,185	4,469,589	100,406	7,267,180
Operating Expenses				
Personnel services	811,731	-	-	811,731
Professional fees	173,686	46,889	18,231	238,806
Administrative services agreement	-	30,000	-	30,000
Travel	36,509	169	-	36,678
Supplies and other	116,187	42	482	116,711
Depreciation and amortization	13,040	1,923,104	-	1,936,144
Parking garage operating expenses	-	1,325,879	-	1,325,879
DREAM expense	1,158,332	-	-	1,158,332
Bad debt expense	-	-	19,036	19,036
Miscellaneous	49,416	3,540	-	52,956
Total operating expenses	2,358,901	3,329,623	37,749	5,726,273
Operating income	338,284	1,139,966	62,657	1,540,907
Non-Operating Revenue (Expense)				
Interest on cash and investments	47,551	19,828	1,368	68,747
Bond interest expense	-	(739,314)	-	(739,314)
Bond expense	-	(487,784)	-	(487,784)
Total non-operating revenue (expense)	47,551	(1,207,270)	1,368	(1,158,351)
Income (loss) before interfund transfers	385,835	(67,304)	64,025	382,556
Interfund Transfers	(3,000,000)	3,000,000	-	-
Change in net position (restated)	(2,614,165)	2,932,696	64,025	382,556
Net position - beginning (restated)	23,516,838	55,518,738	4,596,973	83,632,549
Net position - ending (restated)	$20,902,673	$58,451,434	$4,660,998	$84,015,105

The notes to the financial statements are an integral part of this statement.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash Flows From Operating Activities				
Receipts from customers and users	$ 4,655,074	$4,862,043	$ 62,621	$ 9,579,738
Receipts for tax credit projects	8,548,837	-	-	8,548,837
Payments to suppliers and lessors	(909,864)	(1,732,686)	(2,279)	(2,644,829)
Contributions to others	-	(5,000,000)	-	(5,000,000)
Payments for personnel and benefits	(736,177)	-	-	(736,177)
Net cash provided (used) by operating activities	11,557,870	(1,870,643)	60,342	9,747,568
Cash Flows From Capital And Related Financing Activities				
Long-term debt principal paid	-	(172,000)	-	(172,000)
Long-term debt expense and interest paid	-	(772,639)	-	(772,639)
Acquisition of buildings and equipment	(7,654)	(64,494)	-	(72,148)
Net cash used by capital and related financing activities	(7,654)	(1,009,133)	-	(1,016,787)
Cash Flows From Investing Activities				
Maturities of investments	5,380,945	1,794,240	-	7,175,185
Interest on cash and investments	45,321	7,454	1,554	54,329
Disbursement of loan proceeds	-	-	(34,321)	(34,321)
Receipt of loan payments	219,692	26,173	298,138	544,004
Net cash provided by investing activities	5,645,958	1,827,867	265,371	7,739,197
Net increase (decrease) in cash and cash equivalents	17,196,174	(1,051,909)	325,713	16,469,978
Cash and cash equivalents - July 1	8,293,935	8,944,896	2,420,609	19,659,440
Cash and cash equivalents - June 30	$25,490,109	$7,892,987	$2,746,322	$36,129,418
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ 3,734,725	$1,537,346	$ 23,883	$ 5,295,954
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	$ 16,276	$1,925,429	$ -	$ 1,941,705
Increase (decrease) in allowance for bad debt	(219,692)	-	14,631	(205,062)
(Increase) decrease in accrued interest on loans and notes receivable	8,906	8,813	22,214	39,933
(Increase) decrease in prepaid expenses and other assets	(25,025)	(182,977)	-	(208,002)
Increase (decrease) in accounts payable and accrued liabilities	48,635	(5,024,836)	(386)	(4,976,587)
Increase (decrease) in tax credit for contribution deposits	7,994,045	-	-	7,994,045
Increase (decrease) in unearned revenue	-	(134,418)	-	(134,418)
Total adjustments	7,823,145	(3,407,989)	36,459	4,451,614
Net cash provided (used) by operating activities	$11,557,870	$(1,870,643)	$60,342	$9,747,568
Reconciliation of cash and cash equivalents to the statement of net position				
Cash	$14,134,544	$4,992,942	$ -	$19,127,486
Restricted assets	11,855,565	2,900,045	2,746,322	17,501,932
Less: Portion maturing in 90 days or more	(500,000)	-	-	(500,000)
Total cash and cash equivalents	$25,490,109	$7,892,987	$2,746,322	$36,129,418

The notes to the financial statements are an integral part of this statement.

MISSOURI DEVELOPMENT FINANCE BOARD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash Flows From Operating Activities				
Receipts from customers and users	$ 1,594,555	$ 4,366,912	$ 96,779	$ 6,058,246
Receipts for tax credit projects	22,961,888	-	-	22,961,888
Payments to suppliers and lessors	(1,577,609)	(1,333,125)	(22,807)	(2,933,541)
Payments to tax credit projects	(23,244,379)	-	-	(23,244,379)
Contributions to others	-	(5,000,000)	-	(5,000,000)
Payments for personnel and benefits	(811,731)	-	-	(811,731)
Net cash provided (used) by operating activities	(1,077,276)	(1,966,213)	73,972	(2,969,517)
Cash Flows From Noncapital Financing Activities				
Interfund transfers	(3,000,000)	3,000,000	-	-
Net cash provided (used) by noncapital financing activities	(3,000,000)	3,000,000	-	-
Cash Flows From Capital And Related Financing Activities				
Long-term debt principal paid	-	(15,014,000)	-	(15,014,000)
Long-term debt expense and interest paid	-	(1,229,336)	-	(1,229,336)
Acquisition of buildings and equipment	(10,479)	(2,084,704)	-	(2,095,183)
Net cash used by capital and related financing activities	(10,479)	(18,328,040)	-	(18,338,519)
Cash Flows From Investing Activities				
Maturities of investments	2,970,618	5,640,642	-	8,611,260
Interest on cash and investments	85,846	36,659	1,368	123,873
Disbursement of loan proceeds	-	-	(588,358)	(588,358)
Receipt of loan payments	261,883	25,912	242,292	530,087
Net cash provided (used) by investing activities	3,318,347	5,703,213	(344,698)	8,676,862
Net decrease in cash and cash equivalents	(769,408)	(11,591,040)	(270,726)	(12,631,174)
Cash and cash equivalents - July 1	9,063,343	20,535,936	2,691,335	32,290,614
Cash and cash equivalents - June 30	$8,293,935	$8,944,896	$2,420,609	$19,659,440
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$338,284	$1,139,966	$62,657	$1,540,907
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	$ 13,040	$1,923,104	$ -	$ 1,936,144
Increase (decrease) in allowance for bad debt	(213,293)	-	19,036	(194,257)
(Increase) decrease in accrued interest on loans and notes receivable	-	(8,770)	(3,627)	(12,397)
(Increase) decrease in prepaid expenses and other assets	11,895	28,909	-	40,804
Increase (decrease) in accounts payable and accrued liabilities	(55,374)	(4,955,514)	(4,094)	(5,014,982)
Increase (decrease) in tax credit for contribution deposits	(1,171,828)	-	-	(1,171,828)
Increase (decrease) in unearned revenue	-	(93,908)	-	(93,908)
Total adjustments	(1,415,560)	(3,106,179)	11,315	(4,510,424)
Net cash provided (used) by operating activities	$(1,077,276)	$(1,966,213)	$73,972	$(2,969,517)
Reconciliation of cash and cash equivalents to the statement of net position				
Cash	$ 6,932,396	$ 7,714,823	$ -	$14,647,219
Restricted assets	4,361,520	3,024,313	2,420,609	9,806,442
Less: Portion maturing in 90 days or more	(2,999,981)	(1,794,240)	-	(4,794,221)
Total cash and cash equivalents	$ 8,293,935	$ 8,944,896	$2,420,609	$19,659,440

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

1. Financial Reporting Entity and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Missouri Development Finance Board (the Board), is governed by the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850, as a body corporate and politic of the State of Missouri created within the Department of Economic Development. The Board is governed by a 12-member Board. The Governor of the State of Missouri (the State), with the advice and consent of the Senate, appoints eight of the Board members. The remaining four Board members are the Lieutenant Governor, Director of the Department of Economic Development, Director of the Department of Agriculture, and Director of the Department of Natural Resources.

The Board is empowered to issue bonds and notes, provide loans, loan guarantees and grants to political subdivisions to fund public infrastructure improvements, and to issue Missouri tax credits for approved projects. The Board also has other authorized powers under State statute, including the ability to acquire, own, improve and use real and personal property such as parking garages and buildings.

The Board is a discretely presented component unit of the State of Missouri as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, as the Board does not meet the qualification for blending. Based on GASB 61, a component unit should be included in the reporting entity financial statements using the blending method if the component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit. Likewise, if the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it or if the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The Board has one active blended component unit and one inactive discretely presented component unit as defined by GASB Statement No. 61, *The Financial Reporting Entity*:

The Seventh Street Garage Public Parking Corporation (SSGPPC) is an active blended component unit within the Parking Garage Fund. MDFB is the sole member of SSGPPC, acting through a board of directors. Three Board members of the Missouri Development Finance Board serve as members for SSGPPC. The Board receives excess cash from SSGPPC, thus having a financial benefit, and has operational responsibility for SSGPPC. SSGPPC is a 501(c)(3) not-for-profit organization established for the primary purpose to serve as a qualified active low-income community business (QALICB) located in a low-income census tract in connection with the New Markets Tax Credit Program as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC renovated a portion of the St. Louis Centre into a 750-space parking garage, which it operates. The SSGPPC maintains only one fund, an enterprise fund, and does not issue separately prepared financial statements.

The Board's discretely presented component unit, the Missouri Community Investment Corporation (MCIC) currently is inactive. The Board members of the Missouri Development Finance Board and five additional members serve as the Board for MCIC. MCIC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified community development entity (CDE) providing investment capital for the benefit of Low-Income Communities and Low-Income Persons within the State of Missouri in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. MCIC was inactive during fiscal years 2013 and 2012, and thus has been omitted from presentation in the financial statements.

For purposes of these financial statements, all references to MDFB or the Board represent the primary government and its blended component unit.

(b) Basis of Presentation

The accounts of the Board are organized on the basis of funds. The Board accounts for its activities as enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities that are similar to activities found in the private sector. The measurement focus is upon determination of net income.

Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Each fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. Pursuant to RSMo Sections 100.260 and 100.263, the Board has five statutory funds. For financial reporting purposes, the Board has chosen to present these funds as follows:

- **Industrial Development and Reserve Fund** — The Industrial Development and Reserve Fund (IDRF) is both a statutory fund and a fund for financial reporting purposes. At inception, the Board was funded by appropriations from the State General Revenue Fund; however, currently the Board's primary source of funds is from other sources as specified by its statutes. Funds may be used to make eligible direct loans or may be pledged as loan, note, or bond guarantees. RSMo Sections 33.080 and 100.260 provide that if funds are appropriated by the general assembly for this fund, they shall not lapse and the balance shall not be transferred to the State General Revenue Fund. This fund includes activity related to the Old Post Office (OPO) project and the DREAM Initiative.

- **Parking Garage Fund** — The Parking Garage Fund (PGF) was established in 2003 by the Board for financial reporting purposes to account for the construction and ongoing operations of its parking garages. This fund derives its statutory authority from the Infrastructure Development Fund (IDF) as defined in RSMo Section 100.263. The IDF was established to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to State agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the Board for deposit in the funds. The Board garages qualify as public infrastructure. The garages are as follows: St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) supporting the OPO redevelopment project in St. Louis, and the Seventh Street Garage (SSG) in St. Louis. This fund is used to account for the Board's obligations and interests in the SSG. This fund also includes the Seventh Street Garage Public Parking Corporation (SSGPPC), a 501(c)(3) not-for-profit organization which accounts for operations of the Seventh Street Garage and is the Board's blended component unit.

- **Revolving Loan Fund** — The Revolving Loan Fund (RLF) is a financial reporting fund that includes the Missouri Infrastructure Development Loan (MIDOC) and the Small Business Loan Program activities. The statutory authority for the MIDOC program is granted through the Infrastructure Development Fund (IDF), while the statutory authority for the Small Business Loan Program is derived from the Industrial Development and Reserve Fund (IDRF). Due to the similar nature of the two activities, they are combined for financial reporting purposes. The MIDOC Program was established in 1988 by RSMo Section 100.263, as amended, and was originally capitalized by appropriations from the State General Fund and from various other sources as allowed by the statute. MIDOC funds may be used to make low-interest loans to local political subdivisions. In 2009, the Board transferred $2 million into the RLF to establish the Small Business Loan Program. The funds for the Small Business Loan Program are maintained separately from the MIDOC funds established by appropriations. Small Business Loan funds may be used to make low-interest loans to small businesses located within the State of Missouri.

(c) Method of Accounting

The economic resource measurement focus and the accrual basis of accounting are utilized for all Board funds. Revenues are recognized when earned and expenses are recorded when incurred.

Application fees and issuance fees are recognized as participation fees on the *Statement of Revenues, Expenses, and Changes in Net Position*. The Board recognizes revenue from application fees when received since the fees are due upon application submission and are nonrefundable. The Board recognizes revenue on issuance fees at the time of the issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. Expenses related to bond issuance are recognized when incurred, as there is no reasonable method of allocating the expenses to issuance revenues because of the previously mentioned uncertainties.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of unspent contributions recorded as a liability. Contributions received for tax credits on behalf of the Board's projects are recorded as contributed revenue when all applicable eligibility requirements have been met, which is determined on a project-by-project basis.

(d) Cash and Cash Equivalents

Cash and cash equivalents within the *Statement of Cash Flows* include cash, certificates of deposit, and short-term investments with original maturities of 90 days or less.

(e) Investments

The Board has the power to invest in obligations of the United States or its agencies, insured or secured certificates of deposits, secured repurchase agreements, and state or political subdivisions obligations with the two highest credit rating categories. Investments are adjusted to fair value at fiscal year end.

(f) Loans and Allowance for Loan Loss

Loans are stated at the amount of unpaid principal, adjusted by an allowance for loan losses. The Board's loans are made to not-for-profit entities, small businesses and political subdivisions. In many cases, the repayment terms and collateral, if any, are much less stringent than typical financial institution loans due to the nature of the Board's mission. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely.

The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans, prior loan loss experience or when the net present value of estimated future cash flows on the loan or fair value of collateral is less than the recorded value of the loan (computed on a loan-by-loan basis).

(g) Capital Assets

Capital assets, which consist of land, building, equipment, vehicle, and software, are stated at cost. Contributions of capital assets are recorded at fair market value at the time received. Capital assets are defined by the Board as assets with an individual cost of more than $500 and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings/ Leasehold Asset	Leasehold Improvements	Software	Equipment	Vehicle
40 Years	10 Years	7 Years	3-5 Years	3 Years

It is the Board's policy to capitalize interest on debt incurred to finance the construction of capital assets, when material. The Board had no capital construction projects in progress for the fiscal years ended June 30, 2013 or 2012 and, therefore, there is no capitalized interest recorded, respectively.

(h) Compensated Absences

Under the terms of the Board's personnel policy, Board employees are granted vacation, sick, and compensatory leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and compensatory hours. Employees are not paid for accumulated sick leave upon termination. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities in the accompanying combined financial statements. The costs of sick leave are not accrued.

(i) Unearned Revenue

Unearned revenue is revenue that has not yet been earned, including rent received in advance and unearned income from capital leases.

(j) Long-Term Debt

For proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type *Statement of Net Position*. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed at closing.

(k) Deferred outflows of resources

In addition to assets, the *Statement of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Board only has one item that qualifies for reporting in this category, an interest rate cap agreement in connection with the $9 million debt borrowed from Pulaski Bank, see Note 3.

(l) Net Position

Equity is categorized in the *Statement of Net Position* as net investment in capital assets, restricted and unrestricted. Restricted net position consists of legal restrictions set by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Board's policy to use restricted resources first, and then unrestricted net position when they are needed. Unrestricted net position consists of the portion of net position not invested in capital assets that do not meet the definition of "restricted."

For the years ended June 30, 2013 and 2012, the net position of SSGPPC had deficit balances of $(1,898,781) and $(1,120,869), respectively.

(m) Classification of Operating, Non-operating, and Contributed Revenue

The Board has classified its revenues as operating, non-operating, or contributed revenues according to the following criteria:

- **Operating revenues** — Include revenue sources related to the basic purpose of the Board and include interest income on loans, fees and charges for services.
- **Non-operating revenues** — Include revenue sources unrelated to the basic purpose of the Board and include interest income on deposits and investments.
- **Contributed revenues** — Include investments made in the Board that increase overall net position due to involvement in a specific project and revenue related to the Tax Credit for Contribution Program authorized under State statute received for Board-owned projects.

(n) Classification of Operating and Non-operating Expenses

The Board has classified its expenses as operating and non-operating according to the following criteria:

- **Operating expenses** — Include expenses related to the basic purpose of the Board and include administrative expenses, costs associated with carrying out Board programs, depreciation, and bad debt expenses.
- **Non-operating expenses** — Include expenses related and unrelated to the basic purpose of the Board and may include expenses related to the basic purpose of the Board when such expenses are financial in nature such as bond and interest expenses.

(o) Participation Fees

The Board receives participation fees on certain direct loans, loan guarantees, bonds and tax credit contributions. Direct infrastructure loans are made to local governmental entities for public infrastructure needs.

Bond application fees are 0.1% of the amount of issuance limited to a minimum of $500 and a maximum of $2,500.

The issuance fee for private activity bonds is 0.3% and for public activity bonds is 0.25%. Total fees on both types of issuances are not to exceed $75,000 for a single issue or multiple series under a single issue. For state agency bonds, the issuance fee is on a scale ranging from 0.1% to 0.2%, not to exceed $75,000 for a single issue or multiple series under a single issue.

Bond issuances fees for refunding bonds previously issued by the Board are 0.2% for private activity bonds; on a scale ranging from 0.066% to 0.165% for public activity bonds; and on a scale ranging from 0.066% to 0.133% for state agency bonds. Total fees on all types of refunding issuances are not to exceed $50,000 for a single issue or multiple series under a single issue.

BUILD Missouri (Business Use Incentives for Large-Scale Development) application fees are $1,000 and non-refundable. The issuance fee is assessed as 2.5% of the bond principal with an annual fee of 0.5% of the principal portion outstanding at each anniversary date. The fee to cover legal counsel costs is 0.6% of bond principal with a minimum of $10,000, plus out-of-pocket expenses. Trustee fees including an acceptance fee of $850 and an annual administrative fee of $850 also is assessed.

Participation fees for the Tax Credit for Contribution Program are 4% of all contributions.

(p) Issuance of Conduit Bonds

All of the bonds issued by the Board, with the exception of the long-term debt issued for the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) and the Seventh Street Garage (SSG) (see Note 10), are conduit obligations. Conduit obligations are special, limited obligations of the Board and the assets of the Board are not pledged to secure such bonds. The borrower pays all debt service requirements. The bonds do not constitute an obligation of the Board or the State. See Note 18(c) to the financial statements for further information.

(q) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Estimates are used for, but not limited to, provisions for loan losses; asset impairment; depreciable lives of capital assets; and fair value of financial instruments. The Board is subject to uncertainties such as the impact of future events, economic, environmental and political factors, and changes in the business climate; therefore, actual results may differ from those estimates.

Accordingly, the accounting estimates used in the preparation of the Board's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Board's operating environment changes. Changes in estimates are made when circumstances warrant. Such changes and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Accordingly, actual results may differ from those estimates.

2. Deposits And Investments

The Board originally adopted a policy on investments in 2007 and further revised the policy during fiscal year 2013. Pursuant to the policy, the Board is authorized to invest funds not required for immediate disbursement in obligations of the United States, or any agency or instrumentality of the United States, in obligations of the State of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations, or in such other obligations that may be prescribed by the Board. A specific list of acceptable investments and terms of investing are detailed within the Board's investment policy.

As of June 30, 2013 and 2012, the Board had the following investments:

	2013		2012	
	Carrying Value	Weighted Average Maturity	Carrying Value	Weighted Average Maturity
Investment type:				
Money Market Funds	$ 2,144,597	0.0776	$ 1,893,436	0.0667
U.S. Government Agency Discount Notes	-	0.0000	6,683,022	0.7199
Overnight Repurchase Agreements	29,909,316	0.0028	14,603,148	0.0028
Total Fair Value	$32,053,913		$23,179,606	

- **Interest Rate Risk** — In accordance with its investment policy, the Board manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice reduces exposure to significant declines in fair values.

- **Credit Risk** — The Board's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposit, secured repurchase agreements, and state or political subdivision obligations with the two highest credit ratings issued by nationally recognized statistical rating organizations (NRSROs). Policy prohibits the purchase of any investments that do not meet the above mentioned criteria. As of June 30, 2012, all of the Board's investments were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Board did not hold any investments at June 30, 2013. As of June 30, 2013, SSGPPC, the Board's component unit, holds a CD at US Bank. This CD is rated AA- by Standard & Poor's and Aa3 by Moody's Investors Service. The Board does not hold corporate bonds and does not participate in investment pools.

- **Concentration of Credit Risk** — Due to the unusually conservative nature of the Board's investment policy, the Board is not at risk due to concentration.

- **Custodial Credit Risk - Investments** — For an investment, this is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments. As of June 30, 2013 and 2012, there is no custodial credit risk for the Board's investments due to the Board's investment policy which prohibits obligations not fully secured.

- **Custodial Credit Risk - Deposits** — In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2013 and 2012, the Board's deposits were fully covered by FDIC insurance and government-backed securities.

As required by Missouri law, the depository banks pledge securities, in addition to the Federal Depository Insurance Corporation insurance, to equal or exceed the amount on deposit at all times. As of June 30, 2013 and 2012, securities with a total fair value of $37,515,920 and $17,287,497, respectively, are held in a joint custody account with the Federal Reserve Bank.

As of June 30, 2013 and 2012, the Board's deposits were collateralized as follows:

Bank balance:	2013	2012
Insured by the FDIC	$1,123,773	$3,449,565
Collateralized with securities pledged by the financial institutions	3,437,642	776,351
Amount not collateralized	-	-
Total deposits	$4,561,415	$4,225,916
Carrying value	$4,575,505	$4,155,020

The Board's total cash and investments as of June 30, 2013 and 2012 were as follows:

	2013	2012
U.S. government and agency securities from above	$32,053,913	$23,179,606
Cash deposits from above	4,575,505	4,155,020
Total cash and investments	$36,629,418	$27,334,626
As reflected on the statement of net position:		
Cash	$19,127,486	$14,647,219
Investments	-	2,880,965
Restricted assets	17,501,932	9,806,442
Total cash and investments	$36,629,418	$27,334,626

3. Derivative Instrument – Interest Rate Cap Agreement

Other assets and deferred outflows of resources are composed of the following as of June 30, 2013 and 2012:

Bank balance:	2013	2012
Interest rate cap agreement	$ 387,000	$ 387,000
Adjustment to fair value	(317,958)	(353,440)
Fair value	$ 69,042	$ 33,560

Interest Rate Cap Agreement

In connection with the $9 million debt borrowed from Pulaski Bank (see Note 10), MDFB entered into an interest rate cap agreement with Morgan Stanley Capital Services, LLC, (credit rating of A) to cover a portion of the period (2015-2020) when the debt carries a variable interest rate. The agreement is intended to provide a cash flow hedge for the variable interest rate of the obligation. This agreement's notional amount is based on the amortized loan balance (starting at $8.4 million) with a cap rate of 5.264% and a floating rate of monthly LIBOR. The cost of the interest rate cap agreement was $387,000, and the estimated fair value at June 30, 2013 and 2012, was $69,042 and $33,560, respectively. The fair value of the interest rate cap was estimated using a proprietary pricing service. MDFB has determined the hedge meets the criteria for effectiveness and has recorded the accumulated adjustment to fair value as a deferred outflow of resources.

Risks:

- **Credit Risk** — MDFB is exposed to credit risk on hedging derivative instruments that are in asset positions. MDFB currently does not have a policy regarding credit risk.
- **Interest Rate Risk** — MDFB is not exposed to interest rate risk on its interest rate cap agreement.

- **Basis Risk** — MDFB is not exposed to basis risk on its interest rate cap hedging derivative instruments because the same variable-rate is used for both debt payments paid by MDFB and the interest rate cap agreement.
- **Termination Risk** — MDFB or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.
- **Rollover Risk** — MDFB is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Board will be re-exposed to the risks being hedged by the hedging derivative instrument.

4. Interfund Activity

(a) Due To/From Other Funds

There were no due to and due from balances as of June 30, 2013 and 2012.

(b) Interfund Transfers

In the year ended June 30, 2013, there were no interfund transfers.

In the year ended June 30, 2012, the Industrial Development and Reserve Fund (IDRF) transferred $3 million to the Parking Garage Fund (PGF) to fund the redemption on the Ninth Street Garage bonds. Also see Notes 6 and 10.

5. Loans, Notes Receivable And Allowance For Loan Losses

Direct loans through the Industrial Development and Reserve Fund (IDRF) represent loans to individual companies and political subdivisions in Missouri and are generally secured. Direct loans through the Revolving Loan Fund (RLF) represent low interest loans made to local political subdivisions which are generally unsecured and to small businesses which are also secured by personal guarantees and personal property of the borrower evidenced by a filing under the Uniform Commercial Code. Loans from the Parking Garage Fund (PGF) represent loans that relate to parking garage projects and are generally secured.

During fiscal year 2010, the Board loaned the St. Louis Centre Garage Investment Fund, LLC (SLCGIF) $24 million to assist with the Seventh Street Garage project (see Note 7). The note matures January 31, 2041, is due in monthly payments of $22,125 (principal and interest), and bears interest at 1%. The Seventh Street Garage Public Parking Corporation (SSGPPC) repays the loans to three CDEs from the parking garage revenues; the CDEs are to pay a monthly income distribution consisting of interest income received from SSGPPC to the SLCGIF; and SLCGIF repays its note to MDFB.

In February 2010, the Board loaned the Land Clearance for Redevelopment Authority of the City of St. Louis (LCRA) $5 million to assist with the redevelopment of One City Center that is related to the Seventh Street Garage project. The loan is secured by the full-faith and credit obligation of the LCRA and assignment of LCRA's interest in One City Center. Interest is adjusted annually each December 1 to a variable rate equal to the Applicable Interest Rate on each Adjustment Date. The current interest rate through December 1, 2013 is 2.18%. Final maturity is December 1, 2019.

For the fiscal years ended June 30, 2013 and 2012, the allowance for loan losses was $5,968,211 and $6,173,272, respectively. Allowance for loan losses is evaluated on a per loan basis. During fiscal year 2013, the allowance for loan losses was reduced due to the collection of an installment on the American Fish and Wildlife Museum Loan in the amount of $219,692. The allowance for loan losses was increased in the Revolving Loan Fund by $14,631. This is mainly due to adjustments made in the allowance for loan losses on Small Business Loans receivables as defaulted loan payments are received and as defaults occur throughout the fiscal year; the total adjustment for fiscal year 2013 was $14,675. The principal amount of the loan payments received from defaulted loans is recorded in other income.

During fiscal year 2012, the allowance for loan losses was reduced due to the collection of an installment on the American Fish and Wildlife Museum Loan in the amount of $213,293. The allowance for loan losses also was reduced in the Revolving Loan Fund by $76,425. Adjustments also were made in the allowance for loan losses on Small Business Loans receivables as defaulted loan payments are received and as defaults occur throughout the fiscal year; the total adjustment for fiscal year 2012 was $12,204. The principal amount of the loan payments received from defaulted loans is recorded in other income.

No allowance has been established in connection with the Parking Garage Fund loans.

Loans and notes receivable at June 30, 2013 and 2012, was as follows:

	2013		2012	
	Current	Long-term	Current	Long-term
Industrial Development and Reserve Fund	$109,802	$ 15,815,269	$ -	$16,144,763
Parking Garage Fund	26,436	28,892,960	26,173	28,919,396
Revolving Loan Fund	220,796	1,928,151	211,152	2,201,612
Total	357,034	46,636,380	237,325	47,265,771
Less: allowance for loan losses	-	5,968,211	-	6,173,272
Total loans and notes receivable, net	$357,034	$ 40,668,169	$237,325	$41,092,499

6. Restricted Assets

As of June 30, 2013, the total Second Loss Debt Service Reserve Fund is $500,000 for the City of Grandview Series 2003 Gateway Commons.

In November 2012, the City of St. Joseph refunded its Series 2004 Triumph Foods bonds and the Board was refunded its $500,000 second loss debt service reserve fund on this bond issue.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of held contributions recorded as restricted assets with a corresponding liability, see Note 9.

In December 2000, the Board issued debt in the amount of $21.1 million to finance the construction of the St. Louis Convention Center Hotel Garage (SLCCHG) project. Per the Letter of Credit, the Board was required to establish an Operating Reserve and to deposit all net operating profits. Amounts held in the Operating Reserve may be utilized for ongoing operating expenses and debt service on the SLCCHG. Any amount deposited over $1,375,000 may be disbursed without bank consent (also see Note 10 for additional covenants). As of June 30, 2013 and 2012, the balance held in the operating reserve was $3,029,243 and $2,477,896, respectively.

In April 2010, the Board issued debt in the amount of $9 million to assist with the financing of the Seventh Street Garage project. Per the Bond Trust Indenture, the Board was required to hold $4.5 million in a debt service reserve fund at UMB, the trustee bank. As of June 30, 2011, the fair market value of the investments held in the debt service reserve fund was $4.5 million. In addition, per the Indenture, so long as the bonds are outstanding, MDFB was required to maintain unencumbered and unrestricted net assets in the form of cash and marketable securities in an amount, including any permitted investments in the debt service reserve fund, of not less than $17.5 million. On June 28, 2012, the Board pledged the Ninth Street Garage and its revenues to Pulaski Bank. In exchange, Pulaski agreed to release the requirement that the Board hold $17.5 million in unrestricted cash balances and instead required the Board maintain an operating reserve of $500,000. Also see Note 10 for details.

In April 2010, the SSGPPC executed notes payable totaling $29,840,934 to the three CDEs to fund the construction of the Seventh Street Garage project (see Note 10). The reserve fund accounts were established to cover management and accounting fees associated with the New Markets Tax Credit Program compliance.

As of June 30, 2013 and 2012, the Board had $2,900,045 and $3,024,313, respectively in total assets restricted in the Parking Garage Fund (PGF) to satisfy the above requirements (see the following table).

The Revolving Loan Fund consists of activities for the MIDOC and Small Business Loan programs. Cash in this fund is restricted for these programs.

Restricted assets consist of the following as of June 30, 2013 and 2012:

Restricted Assets - Business Type Activities	2013	2012
Second loss debt service reserve funds	$ 500,000	$1,000,000
Tax credit for contribution deposits (Note 9)	11,355,565	3,361,520
Total restricted assets - Industrial Development and Reserve Fund	11,855,565	4,361,520
St. Louis Convention Center Hotel Garage reserve deposits	1,375,000	1,375,000
Additional Seventh Street Garage bond reserve deposits	500,000	500,000
SSGPPC NMTC reserve and required funds	1,025,045	1,149,313
Total restricted assets - Parking Garage Fund	2,900,045	3,024,313
MIDOC funds	1,812,383	1,673,607
Small Business Loan funds	933,939	747,002
Total restricted assets - Revolving Loan Fund	2,746,322	2,420,609
Total restricted assets - Business Type Activities	$17,501,932	$9,806,442

7. Capital Assets

During 2000, the Board used a $6 million contribution from a taxpayer and $21.1 million in bond proceeds to purchase land and begin construction of the St. Louis Convention Center Hotel Garage (SLCCHG) adjacent to the St. Louis Convention Center Hotel. The SLCCHG began operations in August 2002.

In April 2003, the Board used a $10 million contribution from a taxpayer and began participating in two related redevelopment projects in downtown St. Louis, Missouri. During 2004 and 2005, $18.8 million in additional funds were raised to fund the remainder of the projects. The first project, commonly referred to as the "Old Post Office Project" or the "OPO Project," consists of the acquisition and renovation of the U.S. Custom House and Old Post Office a historic structure in downtown St. Louis. The second project consisted of the acquisition and demolition of the Century Building and the construction of a parking garage located to the west of the OPO Project. This project is known as the "Ninth Street Garage Project" or the "NSG Project." The OPO and NSG Projects are separate and distinct projects for purposes of financial reporting, but integrally linked for development and operational purposes.

The Board acquired title to the OPO Project on October 13, 2004 from the General Services Administration of the United States of America at no cost to the Board. The Board then executed a 99-year lease of the OPO Project with St. Louis U.S. Custom House and Post Office Building Associates, LP, a Missouri limited partnership (OPO Master Lessee). In connection with the financial closing of the OPO Project on October 14, 2004, the Board made a subordinated loan to the OPO Master Lessee in the amount of $12.75 million to assist in the financing of the OPO Project – the current balance is $12,723,704. Pursuant to the OPO Master Lease, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of the fair market value or the development debt outstanding. Renovation of the OPO Project was completed in late 2006.

The NSG Project is owned by the Board and consists of the development and construction of a 1,050-space parking garage located on the west side of Ninth Street directly across from the OPO Project. The land was purchased in April 2003. The Board has entered into long-term parking leases with tenants of the OPO Project and with surrounding businesses and building owners. The NSG Project was completed in 2007.

In April 2010, the Board acquired title to 601 Locust, now known as Seventh Street Garage, via an assignment of purchase and sale agreement with the LCRA. Total consideration for the exchange was approximately $14.2 million. The Board executed two long-term capital leases: a "retail" lease and a "garage" lease (see Note 16).

The lessee of the garage space is the Seventh Street Garage Public Parking Corporation (SSGPPC), the blended component unit. The Seventh Street Garage commenced operations in fiscal year 2011.

SSGPPC's garage project qualifies for the Federal New Markets Tax Credit Program, which facilitated financing for the project. The garage project is part of a larger redevelopment project affecting adjoining office buildings in St. Louis. For the garage project, MDFB provided indirect funding in the form of a $24 million loan to St. Louis Centre Garage Investment Fund, LLC, an entity 100% owned by U.S. Bank Community Development Corporation (USBCDC). The proceeds of the MDFB loan were combined with New Markets Tax Credit qualified equity investments and provided as an equity investment to each of three non-related community development entities: National Development Council (NDC), Urban Development Fund (UDF) and St. Louis Development Corporation (SLDC). Total proceeds of $29,840,934 (see Note 10) were subsequently loaned to SSGPPC to provide direct financing for the garage project. In addition, SSGPPC received an upfront parking lease payment of $1 million from U.S. Bank, which is recorded as unearned revenue and also used to fund the project. The garage project is backed by an Indemnity Agreement with the LCRA.

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Deletions/ Retirements	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Capital assets, being depreciated:				
Building	75,630,938	-	-	75,630,938
Equipment	235,392	72,148	(2,835)	304,705
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets, being depreciated	75,965,179	72,148	(2,835)	76,034,492
Less: accumulated depreciation for:				
Building	9,301,308	1,892,224	-	11,193,532
Equipment	138,843	40,467	(2,835)	176,475
Leasehold improvements	42,013	5,668	-	47,681
Vehicle	19,172	-	-	19,172
Software	7,185	3,345	-	10,530
Total accumulated depreciation	9,508,521	1,941,704	(2,835)	11,447,390
Total capital assets, being depreciated, net	66,456,658	(1,869,556)	-	64,587,102
Total capital assets, net	$73,676,397	$(1,869,556)	$ -	$71,806,841

Capital asset activity for the year ended June 30, 2013, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total Capital Assets
Land	$ -	$ 7,219,739	$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	95,909	208,796	304,705
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Sub-total	185,918	83,068,313	83,254,231
Less: accumulated depreciation	(155,474)	(11,291,916)	(11,447,390)
Total capital assets, net	$ 30,444	$71,776,397	$71,806,841

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions/ Retirements	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Capital assets, being depreciated:				
Building	75,491,699	139,239	-	75,630,938
Equipment	181,293	86,058	(31,959)	235,392
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets, being depreciated	75,771,841	225,297	(31,959)	75,965,179
Less: accumulated depreciation for:				
Building	7,402,909	1,898,399	-	9,301,308
Equipment	142,078	28,724	(31,959)	138,843
Leasehold improvements	36,343	5,670	-	42,013
Vehicle	19,172	-	-	19,172
Software	3,831	3,354	-	7,185
Total accumulated depreciation	7,604,333	1,936,147	(31,959)	9,508,521
Total capital assets, being depreciated, net	68,167,508	(1,710,850)	-	66,456,658
Total capital assets, net	$75,387,247	$(1,710,850)	$ -	$73,676,397

A summary of capital assets by fund at June 30, 2012 was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total Capital Assets
Land	$ -	$ 7,219,739	$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	91,089	144,303	235,392
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Sub-total	181,098	83,003,820	83,184,918
Less: accumulated depreciation	(142,032)	(9,366,489)	(9,508,521)
Total capital assets, net	$ 39,066	$ 73,637,331	$73,676,397

8. Compensated Absences

Board employees are granted vacation, sick, and compensatory leave. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities. The current amount due is only an estimate. The costs of sick leave are not accrued. For the fiscal years ended June 30, 2013 and June 30, 2012, total accrued compensated absences were $65,050 and $62,276, respectively.

Changes in compensated absences for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated Absences	$62,276	$37,105	$34,331	$65,050	$35,012

Changes in compensated absences for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Compensated Absences	$69,159	$41,444	$48,327	$62,276	$32,238

9. Tax Credit For Contribution Deposits

One of the Board's programs is the Tax Credit for Contribution Program. During any calendar year, the Board can authorize up to $10 million in tax credits. The limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri; provided, however, that in no case shall more than $25 million in tax credits be authorized during such year.

Through this program, the Board is authorized to grant tax credits in an amount equal to 50% of contributions accepted by the Board. Eligible infrastructure projects approved by the Board are granted the contributions. Contributions received by the Board are remitted to fund the project upon requests supported by proof of eligible reimbursable project expenditures or used to fund projects owned by the Board. Contributions on deposit with the Board are reflected as restricted assets and a liability in the accompanying financial statements. As of June 30, 2013 and 2012, the Board held deposits received pursuant to the Tax Credit for Contribution Program of $11,355,565 and $3,361,520, respectively.

10. Long-Term Debt

Summary of debt held as of June 30, 2013 and 2012, was as follows:

	2013	2012
$3,910,000 **St. Louis Convention Center Hotel Garage** Series 2000B, taxable infrastructure facilities revenue bonds; and $11,440,000 St. Louis Convention Center Hotel Garage Series 2000C, tax exempt infrastructure facilities revenue bonds. Variable rate interest installments are paid monthly with interest not to exceed 10% per annum. Remaining principal is due December 1, 2020.	$15,350,000	$15,350,000
$9,000,000 **Seventh Street Garage** Series 2010, Recovery Zone Facility Bonds. Monthly interest installments began July 1, 2010 and monthly principal installments began June 1, 2012. The interest rate per the Interest Deferral Agreement is the lesser of 1.25% plus 30-day LIBOR or 4.25% through April 30, 2015; then a variable rate through May 2020 not to exceed 5.264% pursuant to Interest Rate Cap Agreement (See Note 3). Variable rate thereafter through May 2040.	8,814,000	8,986,000
Seventh Street Garage $3,424,425 NDC New Markets Investment LVII, LLC (NDC) Loan A note payable; $4,424,779 NDC Loan B note payable; and $2,192,642 NDC Loan C note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	10,041,846	10,041,846
Seventh Street Garage $4,314,775 Urban Development Fund IX, LLC (UDF) Loan A-1 note payable; $5,575,221 UDF Loan B-1 note payable; and $1,909,092 UDF Loan C-1 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	11,799,088	11,799,088
Seventh Street Garage $6,260,800 St. Louis New Markets Tax Credit Fund-XI, LLC (SLDC) Loan A-2 note payable; and $1,739,200 SLDC Loan C-2 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	8,000,000	8,000,000
Total	54,004,934	54,176,934
Less current portion	(180,000)	(172,000)
Long-term debt	$53,824,934	$54,004,934

Changes in outstanding debt for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due within one year
Long-Term Debt	$54,176,934	$ -	$172,000	$54,004,934	$180,000

Changes in outstanding debt for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due within one year
Long-Term Debt	$69,190,934	$ -	$15,014,000	$54,176,934	$172,000

St. Louis Convention Center Hotel Series 2000B and 2000C

The annual debt service requirement as of June 30, 2013, was as follows:

	Principal	Interest	Total
2014	$ -	$ 19,708	$ 19,708
2015	-	19,708	19,708
2016	-	19,709	19,709
2017	-	19,709	19,709
2018	-	19,709	19,709
2019 - 2021	15,350,000	59,125	15,409,125
Totals	$15,350,000	$157,669	$15,507,669

The bonds have mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The annual debt service schedule above assumes an interest rate of 0.128% representing the interest rate at June 30, 2013. The actual interest paid during 2013 and 2012 averaged 0.19% and 0.175%, respectively. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation and a Deed of Trust on the St. Louis Convention Center Hotel Garage (SLCCHG).

The Series 2000B bonds bear interest at a weekly rate; the Series 2000C bonds bear interest at a daily rate. The interest rate on bonds will be determined by the remarketing agent as the lowest rate of interest which in its judgment will cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

Seventh Street Garage Series 2010

The annual debt service requirement as of June 30, 2013, was as follows:

	Principal	Interest	Total
2014	$ 180,000	$ 126,057	$ 306,057
2015	189,000	123,415	312,415
2016	195,000	120,646	315,646
2017	204,000	117,755	321,755
2018	214,000	114,756	328,756
2019 - 2023	1,213,000	523,827	1,736,827
2024 - 2028	1,501,000	426,440	1,927,440
2029 - 2033	1,855,000	305,955	2,160,955
2034 - 2038	2,292,000	157,111	2,449,111
2039 - 2040	971,000	13,614	984,614
Totals	$8,814,000	$2,029,576	$10,843,576

The bonds are set for monthly mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The Board is required to deposit all amounts received from Seventh Street Garage Public Parking Corporation to UMB Bank, N.A. for payment on the bonds. The Board may request a withdrawal of funds exceeding the $500,000 minimum balance requirement. Also see Note 6. For the periods ended June 30, 2013 and June 30, 2012, the Board was in compliance with said requirement. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation plus any accrued interest, a Deed of Trust on the Seventh Street Garage, and a Deed of Trust on the Ninth Street Garage.

As of June 28, 2012 through April 30, 2015, the Board entered into an Interest Deferral Agreement whereby the bond interest rate is the lesser of the Modified Pay Rate or 4.25% annually. The Modified Pay Rate is defined as the LIBOR rate plus 1.25% per annum (or 1.65% per annum if the Ninth Street Garage Deed of Trust is removed as collateral). The difference between the two rates is deferred until due or forgiven. The Board anticipates the deferred interest will be forgiven.

For the period May 1, 2015 through maturity, the bonds will carry a variable rate of interest. MDFB has the option to select from three variable interest rates prior to each interest rate period: a monthly term rate equal to LIBOR (not less than 3%), an annual term rate (one-year US Treasury Rate plus 2.5% but not less than 3%), or a five-year fixed term rate (5-year Treasury rate plus 2.5% but not less than 4.25%). For the period beginning May 2015 and ending May 2020, the rate paid by MDFB will not exceed 5.264% pursuant to a rate cap agreement with Morgan Stanley Capital Services, LLC (see Note 3).

NDC New Markets Investment LVII, LLC Loan A, B and C notes payable

The annual debt service requirement as of June 30, 2013, was as follows:

	Principal	Interest	Total
2014	$ -	$ 92,385	$ 92,385
2015	-	92,385	92,385
2016	-	92,385	92,385
2017	155,286	92,147	247,433
2018	-	90,956	90,956
2019 - 2023	1,250,119	438,341	1,688,460
2024 - 2028	2,033,100	359,949	2,393,049
2029 - 2033	2,517,319	257,434	2,774,753
2034 - 2038	3,086,211	131,070	3,217,281
2039 - 2040	999,811	11,246	1,011,057
Totals	$10,041,846	$1,658,298	$11,700,144

Urban Development Fund IX, LLC Loan A-1 and B-1 notes payable

The annual debt service requirement as of June 30, 2013, was as follows:

	Principal	Interest	Total
2014	$ -	$ 108,552	$ 108,552
2015	-	108,552	108,552
2016	-	108,552	108,552
2017	-	108,552	108,552
2018	-	108,552	108,552
2019 - 2023	1,491,947	523,138	2,015,085
2024 - 2028	2,426,398	429,581	2,855,979
2029 - 2033	3,004,291	307,234	3,311,525
2034 - 2038	3,683,228	156,424	3,839,652
2039 - 2040	1,193,224	13,421	1,206,645
Totals	$11,799,088	$1,972,558	$13,771,646

St. Louis New Markets Tax Credit Fund-XI, LLC Loan A-2 and C-2 notes payable

The annual debt service requirement as of June 30, 2013, was as follows:

	Principal	Interest	Total
2014	$ -	$ 73,600	$ 73,600
2015	-	73,600	73,600
2016	-	73,600	73,600
2017	-	73,600	73,600
2018	-	73,600	73,600
2019 - 2023	1,011,568	354,697	1,366,265
2024 - 2028	1,645,144	291,263	1,936,407
2029 - 2033	2,036,965	208,310	2,245,275
2034 - 2038	2,497,297	106,059	2,603,356
2039 - 2040	809,026	9,100	818,126
Totals	$8,000,000	$1,337,430	$9,337,430

11. Unearned Revenue

In November 2009, the Board approved participation in a CID and TDD, see Note 18(b). The CID and TDD funds are applied to the parking rent due for the St. Louis Convention Center Hotel Garage parking from the Renaissance Grand Hotel. Funds in excess of the amount due are reflected as unearned revenue. The CID and TDD unearned revenue for the fiscal years ended June 30, 2013 and June 30, 2012 was $0 and $72,858, respectively. As of June 30, 2013, amounts remitted were less than the parking rent due and as a result, shown in accounts receivable; the balance owed to MDFB was $139,799.

The Schnucks lease payment for the Ninth Street Garage (NSG) made in advance also is reflected within unearned revenue. For the fiscal years ended June 30, 2013 and 2012, $0 and $15,600 was recorded in the Parking Garage Fund (PGF), respectively.

In April 2010, SSGPPC paid MDFB base rent of $6,406,643 under a capital lease agreement (see Note 7). MDFB has recorded unearned revenue in the amount of $902,748 and $915,374 for June 2013 and 2012, respectively, due to the difference between the minimum lease payment and the estimated fair market value of the building of $5,463,913 at the time of closing.

Also in April 2010, US Bank prepaid rent of $1 million to the SSGPPC. The prepayment is reflected in unearned revenue and is amortized over the life of the lease. For the fiscal years ended June 30, 2013 and 2012, Seventh Street Garage unearned revenue was $919,444 and $952,778, respectively, in unearned revenue for parking rent paid in advance.

Total unearned revenue for fiscal years ended June 30, 2013 and 2012 is $1,822,192 and $1,956,610, respectively.

12. Rental Income

Future minimum rental income on non-cancelable operating leases was as follows:

	St. Louis Convention Center Hotel Garage	Ninth Street Garage	Seventh Street Garage (SSGPPC)
2014	$ 639,282	$ 534,900	$ 1,286,850
2015	639,282	647,400	1,388,175
2016	639,282	647,400	1,416,600
2017	639,282	624,690	1,445,100
2018	639,282	605,700	1,445,100
2019-2023	3,158,910	2,225,700	7,482,000
2024-2028	3,071,410	1,726,500	7,824,000
2029-2033	3,071,410	1,312,500	8,194,500
2034-2038	3,071,410	1,312,500	8,536,500
2039-2043	3,071,410	1,312,500	5,304,300
2044-2048	2,794,269	1,143,750	-
2049-2053	300,000	750,000	-
2054-2058	300,000	750,000	-
2059-2063	195,000	750,000	-
2064	-	112,500	-
Totals	$22,230,229	$14,456,040	$44,323,125

The Parking Garage Fund's St. Louis Convention Center Hotel Garage (SLCCHG) 880-space parking garage was constructed by the Board to support the St. Louis Convention Center Hotel project in downtown St. Louis.

The carrying value of the garage is $21,913,825, less accumulated depreciation of $4,695,757 and $4,265,611 as of June 30, 2013 and 2012, respectively. The Renaissance Grand Hotel leases a minimum of 375 spaces with the option of leasing up to 275 additional spaces with proper notice. The minimum lease payment for the hotel's use of the garage is $554,282 per year with an expiration date of December 31, 2047. In addition to the hotel, the nearby Merchandise Mart, a mixed-use development with apartments and retail space, has a lease for up to 118 spaces in this parking garage with minimum annual lease payments of $25,000. The initial lease is for 19 years with an expiration date of December 31, 2021. There is a renewal option for an additional 11 years if the Merchandise Mart pays a $50,000 renewal fee 90 days prior to the lease expiration term. The Roberts Old School House Lofts, LP (Roberts) had executed a lease on March 1, 2011, but terminated their lease October 19, 2012. The STL Loft Partners, LLC purchased properties from Roberts and executed a new lease with the Board on October 19, 2012 for 50 years; 40 spaces are to be taken the first year, and up to 35 additional spaces may be requested with notice by October 31, 2013. Both the Merchandise Mart and STL Loft Partners, LLC leases call for parking rates to be equivalent to rates paid by the general public for monthly parking.

The Parking Garage Fund's Ninth Street Garage (NSG) is a 1,050-space parking garage constructed by the Board to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown St. Louis. The carrying value of the garage is $32,474,135, less accumulated depreciation of $4,799,320 and $4,047,965 as of June 30, 2013 and 2012, respectively. Leases are in place with the Eastern District Court of Appeals, Webster University, Frisco Associates, Pyramid Construction (which was assigned to Paul Brown Developer, LP), and entities associated with the Syndicate Building. The Office of Administration for the State of Missouri is on a month-to-month basis, and currently utilizes 187 spaces. In October 2012, SMR Tower Investments terminated their March 2011 lease. Also in October 2012, STL Tower Partners, LLC executed a lease to take 100 spaces by April 1, 2014, and up to an additional 65 spaces may be requested by October 1, 2014. The Board's garage operator also initiated an 11 month agreement beginning August 2013 with St. Louis University Law School for up to 350 parking spaces; the minimum number of spaces will be equal to the number of spaces being taken on September 1, 2013.

Under a lease dated November 26, 2008, the Board leased the 20,800 square feet of retail space in the NSG to SMI-NSG, LLC, an affiliate of Schnucks Markets, Inc. and DESCO. The lessee operates an urban concept grocery store, Culinaria, and pays annual rent of $187,200. The lease is on a triple net basis. The term of the lease is 10 years with six, five-year renewal options. The Board also entered into a Parking Validation Agreement that provides store customers with free parking for one hour from nine-to-five on weekdays and two hours at all other times, as well as a provision for free employee parking for up to 336 hours per day. There also is an agreement with Schnucks Markets, Inc. to share in the additional expenses for weekend staffing of the parking garage. In August 2009, the Board funded SMI-NSG, LLC $1.1 million of remaining NSG bond funds for tenant improvements.

The Parking Garage Fund's 750-space Seventh Street Garage began operations in February 2011. The carrying value of the garage is $28,462,718 less accumulated depreciation of $1,698,455 and $987,732 as of June 30, 2013 and 2012, respectively. The Seventh Street Garage Public Parking Corporation (SSGPPC) executed two parking leases that became effective February 1, 2011.

The first lease is a parking lease agreement with US Bank, NA which leases 400 parking units. The term of the lease is for 30 years and there are two, 10-year renewal options. The parking rent is the greater of $125 per month, the market rate, or the monthly contract rate as defined in the agreement, but never less than the amount in effect for the prior year. Lease payments are payable on the first of each month. The rent will be determined annually at least 30 days preceding the effective date and each anniversary date of the effective date. In addition to the base rent described above, the tenant paid supplemental rent of $1 million (see Note 11) which was recorded as unearned revenue and is being amortized over the term of the lease.

In addition to the lease with US Bank, SSGPPC also leases parking spaces to 600 Tower, LLC. The lease covered a total of 240 parking spaces (85 reserved and 155 unreserved) upon initiation of the lease, increasing by 15 additional unreserved spaces up to 475 units; and monthly rent was $155 per reserved space, and $125-$130 per unreserved space adjusted $5 every two years during the lease term. Currently, the Tower takes a total of 382 spaces (89 reserved and 293 unreserved) at $160 per reserved space and $130-$135 per unreserved space. Monthly rent can also be adjusted based on market rent. The term of the lease is for 30 years and there are two, 10-year renewal options.

Parking lease income is reflected in the Statement of Revenues, Expenses, and Changes in Net Position as Parking garage revenues and the Schnucks Markets, Inc. retail space lease income is shown as Rental income.

13. Contributed Revenue

In fiscal years 2013 and 2012, the Board did not receive contributed revenue.

14. Contributions To Others

In fiscal year 2013, the Board approved a grant to the Division of Workforce Development of $5 million to provide additional funding to the Missouri Job Development Fund for the Customized Training Program. The expense is presented as contributions to others. These monies were disbursed during fiscal year 2013. Also see Note 4(b).

In fiscal year 2012, the Board did not authorize any contributions to others.

MDFB is the sole member of SSGPPC. Per the SSGPPC bylaws, all excess cash is transferred monthly to MDFB. In fiscal years ending June 30, 2013 and June 30, 2012, SSGPPC contributed $809,000 and $805,606, respectively to MDFB. The contributed revenue is netted to zero on the Statement of Net Position due to the blending of the SSGPPC component unit within the Parking Garage Fund; the contribution is shown in the *Combining Schedules of Net Position* for the Parking Garage Fund.

15. Restatement

Due to the adoption of GASB No. 65, the bond issuance costs previously classified as other assets has been restated and expensed. The financial statements for fiscal years 2012, 2011, and 2010 have been restated for consistency in presentation.

As of and for the fiscal year ended June 30, 2012:

	Net position		Change in net position	
	Parking Garage Fund	Total Business-Type Activities	Parking Garage Fund	Total Business-Type Activities
As originally reported	$58,632,351	$84,196,022	$2,926,196	$376,056
GASB 65 restatement (bond issuance costs)	(180,917)	(180,917)	6,500	6,500
As restated	$58,451,434	$84,015,105	$2,932,696	$382,556

As of and for the fiscal year ended June 30, 2011:

	Net position		Change in net position	
	Parking Garage Fund	Total Business-Type Activities	Parking Garage Fund	Total Business-Type Activities
As originally reported	$55,706,155	$83,819,966	$(47,492)	$(3,809,618)
GASB 65 restatement (bond issuance costs)	(187,417)	(187,417)	6,500	6,500
As restated	$55,518,738	$83,632,549	$(40,992)	$(3,803,118)

16. Lease Agreements

(a) 601 Locust Street, St. Louis, Missouri

In fiscal year 2010, MDFB purchased the entire real estate and building commonly known as St. Louis Centre (601 Locust Street in St. Louis) for approximately $14.2 million from St. Louis Centre Building, LLC. See further information in Note 7.

MDFB, in turn, immediately leased most of Floor 2 and Floors 3-4 to SSGPPC for a term of 75 years (expiring in 2085) for a one-time lease payment of approximately $6.4 million; and leased Floor 1 and the remainder of Floor 2 to Mercantile Exchange, Inc. (MEI), an unrelated entity, for a term of 100 years (expiring in 2110) for a one-time lease payment of approximately $8.8 million. The leases are treated by MDFB as capital leases for accounting purposes and as a sale for income tax purposes.

MDFB classified its leases with SSGPPC and MEI as direct financing leases. MDFB received the minimum lease payments of approximately $14.2 million upfront and will not receive any further lease payments. As a result, MDFB recorded a net investment in direct financing leases of $0 and unearned income of $942,730, included in unearned revenue (see Note 11). The unearned revenue will be amortized over the terms of the leases.

- **Garage Lease — SSGPPC**: SSGPPC paid MDFB base rent of approximately $6.4 million in a lump sum upfront payment at lease inception. No further lease payments are required, although SSGPPC is required to pay costs of maintenance, operation, and repair of the property. Of the total amount, approximately $5.5 million was capitalized as building and the difference was recorded as prepaid lease expense to be amortized over the life of the lease.

  At the end of the lease term, MDFB will take ownership of the completed garage. See further information in Note 7.

- **Retail Lease — MEI:** MEI paid MDFB base rent of approximately $8.8 million in a lump sum upfront payment at lease inception through the assignment of a promissory note from the subtenant MX Retail, LLC (MXR). MDFB assigned this promissory note without recourse to the seller of the property in order to cover a portion of the cost to acquire the property. No further lease payments are required, although MEI is required to pay costs of maintenance, operation, and repair of the retail portion of the property. MEI's subtenant is developing the leased floors into retail space, and the completion of the retail space is the responsibility of MEI. MDFB is not involved in the retail development.

  At the end of the lease, MEI will deliver possession back to MDFB, unless MEI causes the building to be converted into two or more condominium units (one for the garage and one for the retail space) and exercises its option to purchase the retail space for $100,000. MEI must meet certain conditions in order to exercise this option.

  MEI subleased the retail space to MXR for 75 years. MXR does not have an option to purchase or renew the lease. Rent under the sublease is approximately $8.8 million for which MXR provided MEI with the note receivable as an upfront payment of the amounts due under the lease. This note receivable bears interest at 1%, compounded annually through the maturity date, and is added to the balance of outstanding principal. The note, including any unpaid interest, is due and payable on the sooner of on demand or December 31, 2015. The note is secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing. The sublease does not directly impact MDFB.

(b) Office Lease Obligation

In October 2004, the Board entered into a lease with Hotel Governor of Jefferson City, LLP, to lease 3,501 square feet on the 10th Floor of the Governor Office Building. The lease is an operating lease with a term of 10 years. The Board has capitalized related tenant improvements in the amount of $56,211. During fiscal years 2013 and 2012, rent of $61,990 and $60,184 was paid, respectively.

Future minimum lease payments for this lease are as follows:

	Hotel Governor
2014	$63,849
2015	16,079
Total minimum lease obligation	$79,928

(c) Copier Lease Obligation

In December 2010 and July 2013, the Board entered into a copier lease and a color copier lease, respectively, with Gibbs Technology Leasing, LLC. The leases are accounted for as operating leases. The term of each lease is four years.

Future minimum lease payments for these leases are as follows:

	Copier	Color Copier
2014	$ 6,948	$ 3,987
2015	4,053	4,104
2016	-	4,104
2017	-	4,104
2018	-	342
Total minimum lease obligation	$11,001	$16,641

(d) KC Overhaul Base Lease

In December 2004, the Board accepted a contribution from the EDC Loan Corporation (EDC), a not-for-profit organization, consisting of an assignment of a 50-year leasehold interest in the Kansas City Overhaul Base located adjacent to the Kansas City International Airport (the Overhaul Base).

EDC's contribution to the Board of the leasehold interest was valued by two independent appraisers at the lowest value of $32 million. In return, the Board issued a total of $16 million in contribution tax credits to EDC. These tax credits were sold in accordance with the Tax Credit Agreement to independent parties on March 3, 2005, July 2, 2005, and June 30, 2006; total proceeds were $13.76 million. The Board paid the proceeds from the tax credit sales less the Board fee to the City to be used for the renovation of the Overhaul Base.

In addition, the City and the Board entered into an assumption agreement as of December 31, 2004, with the City assuming all responsibility and liability relating to ownership, management and operations of the Overhaul Base. As a result of this assumption of the leasehold interest by the City, the Board has no assets or liabilities related to the leasehold interest recorded in its financial statements.

In September 2010, the Board executed an Amendment to the Tax Credit Agreement containing a provision that the City will return all unexpended tax credit proceeds to the Board by September 20, 2015. As of the City's fiscal year end of April 30, 2013, the balance of the tax credit proceeds remaining is approximately $7 million. The City expects to utilize all funds. MDFB will continue to monitor expenditures. s remaining is $8.5 million. The City expects to utilize all funds. MDFB will continue to monitor expenditures.

(e) State of Missouri Acting By and Through Its Office of Administration

In November 2005 and May 2006, the Board issued Series 2005 and 2006 Leasehold Revenue Bonds for the benefit of the State of Missouri Office Buildings Project. With the proceeds of the bonds, the Board purchased four office buildings, which it then leased on a triple net basis, to the State of Missouri through its Office of Administration (OA) for the term of the debt, 25 years, subject to annual State appropriation of lease payments needed to retire the fixed rate, level amortization bonds. The Board transferred its interests in the lease agreement and security interest in the buildings to the bond trustee through a trust indenture.

Bond payments are to be paid exclusively from rent revenues received. In addition, payment of the Series 2005 Bonds is insured by a municipal bond new issue insurance policy. The bonds do not constitute a debt or liability of the Board.

Upon request, the State has the option to purchase the buildings. Furthermore, once bonds are paid in full, ownership defers to the State. The State retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

In June 2013, the Board issued Series 2013A Leasehold Revenue Refunding Bonds (State of Missouri Office Building Projects), for $21,820,000 to provide for the defeasance, payment and discharge of a portion of the $28,995,000 Missouri Development Finance Board, Series 2005 Leasehold Revenue Bonds (State of Missouri Office Building Projects). Bond proceeds were placed in escrow and in October 2015, Series 2005 bonds with maturities from 2016 through 2030 will be redeemed.

In June 2013, the Board issued Series 2013B Leasehold Revenue Refunding Bonds (State of Missouri Office Building Project), for $7,450,000 to provide for the defeasance, payment and discharge of a portion of the $9,865,000 Missouri Development Finance Board, Series 2006 Leasehold Revenue Bonds (State of Missouri Office Building Project). Bond proceeds were placed in escrow and October 2015, Series 2006 bonds with maturities from 2016 through 2030 will be redeemed.

(f) MasterCard International Incorporated Facility Lease

In 1999, the Board issued bonds for $154 million to fund construction of approximately 414,000 square feet of office space and an 114,000-square foot data and energy center on 52 acres in O'Fallon. In order for MasterCard to qualify for tax abatement, the Board took title to the property which it leased to the O'Fallon Public Facilities Authority (Authority). The Authority used the proceeds of the bond issue to build and equip the MasterCard project, and then leased the building to MCI O'Fallon 1999 Trust (Trust), which further subleased to MasterCard. In 2008, MasterCard exercised its option to refund the bonds. The Board issued $160 million in conduit debt to facilitate the refunding. The refunding eliminated the Authority and the Trust and resulted in the Board leasing to MasterCard directly.

Bond payments and related interest are to be paid exclusively from rent and other revenues from the lease agreement. Such payments, revenues and receipts are pledged and assigned to the bond trustee as security for the payment of the bonds as provided in the Bond Indenture. The bonds do not constitute a debt or liability of the Board.

Upon request, MasterCard has the option to purchase the buildings. Furthermore, once bonds are paid in full, MasterCard can purchase the facility for $10. MasterCard retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

17. Seventh Street Garage Public Parking Corporation Condensed Statements

The following provides condensed financial information for SSGPPC, the Board's blended component unit.

Statement of Net Position

	2013	2012
Current and other assets	$ 1,080,438	$ 1,050,663
Restricted assets	1,025,045	1,149,313
Capital assets	26,796,738	27,521,741
Total assets	28,902,221	29,721,717
Current liabilities	40,624	48,874
Noncurrent liabilities	30,760,378	30,793,712
Total liabilities	30,801,002	30,842,586
Net position:		
Net investment in capital assets	(3,044,196)	(2,319,193)
Restricted	1,007,849	1,132,117
Unrestricted	137,566	66,207
Total net position	$ (1,898,781)	$ (1,120,869)

Statement of Revenues, Expenses, and Changes in Net Position

	2013	2012
Operating Revenues:		
Rental income	$ 33,333	$ 33,333
Parking garage revenues	1,550,273	1,316,005
Total operating revenues	1,583,606	1,349,338
Operating Expenses:		
Professional fees	7,663	-
Administrative services agreement	30,000	30,000
Depreciation and amortization	725,004	726,135
Parking garage operating expenses	391,046	332,709
Total operating expenses	1,153,713	1,088,844
Operating income	429,893	260,494
Non-Operating Revenue (Expense):		
Interest on cash and investments	3,512	107
Bond expense and interest expense	(402,317)	(402,317)
Contributions to others	(809,000)	(805,606)
Total non-operating revenue (expense)	(1,207,805)	(1,207,816)
Change in net position	(777,912)	(947,322)
Net position - beginning	(1,120,869)	(173,547)
Net position - ending	$(1,898,781)	$(1,120,869)

Statement of Cash Flows

	2013	2012
Net cash provided (used) by:		
Operating activities	$1,122,215	$ 947,629
Noncapital financing activities	(809,000)	(805,606)
Capital and related financing activities	(402,317)	(2,449,633)
Investing activities	3,512	107
Net decrease in cash and cash equivalents	(85,590)	(2,307,503)
Beginning cash and cash equivalents	1,265,036	3,572,539
Ending cash and cash equivalents	$1,179,446	$1,265,036

18. Commitments And Contingencies

(a) Administrative Services Agreement

In April 2010, the Board entered into an Administrative Services Agreement with the SSGPPC. Because SSGPPC does not have employees of its own, it has agreed to pay the Board $30,000 annually to cover the costs associated with managing and maintaining adequate records on its behalf.

(b) St. Louis Convention Center Hotel Community Improvement District and Transportation Development District

In November 2009, the Board approved a resolution to participate in the St. Louis Convention Center Hotel Community Improvement District (CID) and the St. Louis Convention Center Hotel Transportation Development District (TDD). The CID and TDD each levy a 1% sales tax. The additional sales tax is payable and held by the Board for the benefit of the Renaissance Grand Hotel and Suites, who will utilize the funds to help pay their parking lease obligation to MDFB for spaces in the St. Louis Convention Center Hotel Garage. Such payment will assist the parking garage's operations and maintenance. CID and TDD payments are being made directly into the Board's bank account. Payments in excess of parking rent due are held in the unearned revenue and recognized when earned (see Note 11).

(c) Conduit Bond Issues

As of June 30, 2013, the Board has issued $1,508,422,574 in Private Activity Bonds and $2,109,175,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2013, were approximately $549,005,928 and $1,066,896,000, respectively.

As of June 30, 2012, the Board has issued $1,463,507,574 in Private Activity Bonds and $1,781,365,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2012, were approximately $645,928,169 and $889,268,000, respectively.

The Board has no liability for repayment of these revenue bonds and notes aside from second loss reserve fund deposits; accordingly, these bonds and notes have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds and notes and in certain cases, insurance, letters of credit, annual appropriation pledges and certain funds held through trustees under the various indentures.

(d) Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Board carries commercial insurance for theft of assets and workers' compensation. The Board carries commercial property, comprehensive liability, and business interruption insurance policies on the St. Louis Convention Center Hotel and Ninth Street parking garages. The Board is self-insured for all other risks of loss.

The Seventh Street Garage Public Parking Corporation carries commercial property, comprehensive liability, and business interruption insurance policies on the Seventh Street Garage.

The Board had no material unpaid claims, liabilities, or settlements related to any loss in any of the past three years. No substantive changes were made in the type and amounts of the Board's insurance coverage during 2013 and 2012.

(e) DREAM Commitments

In August 2006, the Board, the Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC) initiated the DREAM program. Through June 30, 2013, 35 communities have been selected to receive technical assistance and services to support them in their downtown redevelopment efforts. The Board has contracted with Peckham Guyton Albers & Viets, Inc. to assist in the redevelopment process of the selected communities. Each community is to receive technical assistance over the course of three years. Costs of services through program completion are estimated at $1.2 million. During the fiscal years ended June 30, 2013 and 2012, the Board spent approximately $600,000 and $1.2 million, respectively, towards the program. In fiscal years 2013 and 2012, MHDC contributed $150,000 and $300,000, respectively.

(f) Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03 (E.O.) shortly after assuming office. This E.O. directed the DED to work with the Board "to create a pool of funds designated for low-interest and no-interest direct loans for small businesses." Related announcements from Governor Nixon recommended this pool of funds be capitalized by a $2 million grant from the Board. In April 2009, the Board approved funding the $2 million program. As of June 30, 2013, the Board has loaned more than $1.57 million to 57 small businesses across the State of Missouri. The Board continues to work with DED to loan the remaining funds. The Small Business Loan Program is reflected in the Revolving Loan Fund (RLF). Also see Note 5.

(g) Indemnity Agreement

In connection with the Seventh Street Garage Project, MDFB and SSGPPC entered into a project indemnity agreement with the LCRA and MXG. As part of the agreement, MDFB paid LCRA $417,785 and LCRA agreed to pay all New Markets Tax Credit consulting fees and expenses. Additionally, LCRA agreed to cover excess costs in the event of changes in New Markets Tax Credit compliance or as a result of recapture. Finally, LCRA also agreed to cover unforeseen costs associated with fees, taxes, permits, litigation or costs to unwind the New Markets Tax Credit financing plan.

19. Employees' Retirement Benefits

(a) Defined Benefit Pension Plan

In September 2011, the Board joined the Missouri State Employees' Plan (MSEP). MSEP is a single-employee public employee retirement plan of the State of Missouri in accordance with RSMo Sections 104.010 and 104.312 to 104.1093. Benefits are established by and can be amended by the State of Missouri legislative process. Responsibility for the operation and administration of MSEP is vested in the Missouri State Employees' Retirement System (MOSERS) Board of Trustees. MSEP provides retirement, death, and disability benefits to participants and their beneficiaries. MSEP is considered a part of the State of Missouri financial reporting entity and is included in the State of Missouri finance trust fund. MSEP issues a stand-alone report, which may be obtained by contacting the MOSERS office located at 907 Wildwood Drive, PO Box 209, Jefferson City, MO 65102.

MSEP is accounted for and reported as a cost-sharing pension plan. MDFB paid 14.45% and 13.97% of payroll into the plan for fiscal years 2013 and 2012 for a total contribution to the plan of $80,746 and $65,980.

The Board made 100 percent of its actuarially determined required contributions for the fiscal years ended June 30, 2013 and 2012.

(b) Deferred Compensation Plan

Board employees are eligible to contribute to the State of Missouri's Deferred Compensation Plan. Upon completing one year of employment, employees are eligible to receive a maximum $35 contribution per month if the employee also makes at least a $35 contribution per month (this provision has been suspended). The Deferred Compensation Plan is an eligible state deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999, amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

20. Subsequent Event

In August 2013, the Board approved a Tax Credit for Contribution project for the Bannister Mall Redevelopment in Kansas City for $10,907,500 in tax credits. This project was over the Board's $10 million authorization cap. Per statute, the limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri provided, however, that in no case shall more than $25 million in tax credits be authorized or approved during such year. Cabinet officer approval was received and the project was unanimously approved.

Supplementary Information

This part of the Board's comprehensive annual financial report presents the *Combining Schedule of Net Position; Combining Schedule of Revenues, Expenses*, and *Changes in Net Position;* and *Schedule of Cash Flows* for the Board's Parking Garage Fund and Revolving Loan Fund.

Parking Garage Fund

(pages 42-47)

- **St. Louis Convention Center Hotel Garage Fund**
  The St. Louis Convention Center Hotel Garage (SLCCHG) is an 880-space garage located at 419 North 9th Street in downtown St. Louis. The Board constructed the garage to support the St. Louis Convention Center Hotel project. Activity related to the SLCCHG is reported in this column.

- **Ninth Street Garage Fund**
  The Ninth Street Garage (NSG) consists of 1,050-space garage and 20,800 square feet of retail space located at 905-913 Olive Street in downtown St. Louis. The parking garage was constructed to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown. Activity related to the NSG is reported in this column.

- **Seventh Street Garage MDFB Fund**
  The Seventh Street Garage MDFB (SSG) Fund reports SSG Board activity exclusive of the SSGPPC activity, as noted below. The SSG Fund reports activity associated with the redevelopment of floors one through four and loans indirectly tied to the redevelopment of this and adjacent properties.

- **Seventh Street Garage Public Parking Corporation Fund (blended component unit)**
  The Seventh Street Garage Public Parking Corporation (SSGPPC) Fund reports the activity of the 750-space parking garage located at 601 Locust Street in downtown St. Louis. The parking garage is located on floors two through four of a building commonly known as St. Louis Centre. The SSGPPC is a 501(c)(3) created to utilize the Federal New Markets Tax Credits (NMTCs) and is a qualified active low-income community business (QALICB) as required by NMTCs. SSGPPC leases the parking garage portion of the building from MDFB and owns the leasehold improvements and operates the garage.

Revolving Loan Fund

(pages 48-54)

- **Missouri Infrastructure Development Loan Program Fund (MIDOC)**
  The MIDOC Fund presents activity from the MIDOC Loan Program. The MIDOC Loan Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects.

- **Small Business Loan Fund**
  The Small Business Loan (SBL) Fund shows activity from the Board's Small Business Loan Program. The SBL Program provides long-term, low-interest direct loans for small businesses located within the State of Missouri. Loans can be used to fund capital and operational needs.

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF NET POSITION
PARKING GARAGE FUND
JUNE 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
Current assets:					
Cash	$1,808,867	$ 916,608	$ 2,113,066	$ 154,401	$ 4,992,942
Current portion of loans and notes receivable	-	-	26,436	-	26,436
Accrued interest on loans and notes receivable	-	-	19,934	-	19,934
Prepaid expense and other assets	146,248	82,553	-	926,037	1,154,838
Total current assets	1,955,115	999,161	2,159,436	1,080,438	6,194,150
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	1,025,045	2,900,045
Derivative instrument - interest rate cap agreement	-	-	69,042	-	69,042
Long-term portion of loans and notes receivable	-	-	28,892,960	-	28,892,960
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	12,599,844	25,160,076	-	26,796,738	64,556,658
Total noncurrent assets	18,679,844	27,674,815	29,462,002	27,821,783	103,638,444
Total assets	20,634,959	28,673,976	31,621,438	28,902,221	109,832,594
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	-	-	317,958	-	317,958
Liabilities					
Current liabilities:					
Accounts payable and other accrued liabilities	17,359	7,734	14,094	550	39,737
Accrued bond interest payable	1,243	-	10,604	22,878	34,725
Payable from restricted assets	-	-	-	17,196	17,196
Current portion of long-term debt	-	-	180,000	-	180,000
Total current liabilities	18,602	7,734	204,698	40,624	271,658
Noncurrent liabilities:					
Long-term debt	15,350,000	-	8,634,000	29,840,934	53,824,934
Unearned revenue	-	-	902,748	919,444	1,822,192
Total noncurrent liabilities	15,350,000	-	9,536,748	30,760,378	55,647,126
Total liabilities	15,368,602	7,734	9,741,446	30,801,002	55,918,784
Net Position					
Net investment in capital assets	1,954,844	27,674,815	(8,814,000)	(3,044,196)	17,771,463
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	1,007,849	1,007,849
Unrestricted	1,936,513	991,427	30,511,950	137,566	33,577,456
Total net position	$5,266,357	$28,666,242	$22,197,950	$(1,898,781)	$54,231,768

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF NET POSITION
PARKING GARAGE FUND
JUNE 30, 2012

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
Current assets:					
Cash	$ 1,252,896	$ 90,974	$ 6,255,230	$ 115,723	$ 7,714,823
Current portion of loans and notes receivable	-	-	26,173	-	26,173
Accrued interest on investments	-	-	55	-	55
Accrued interest on loans and notes receivable	-	-	28,747	-	28,747
Prepaid expense and other assets (restated)	29,346	7,576	-	934,941	971,863
Total current assets	1,282,242	98,550	6,310,205	1,050,664	8,741,661
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	1,149,313	3,024,313
Derivative instrument - interest rate cap agreement	-	-	33,560	-	33,560
Long-term portion of loans and notes receivable	-	-	28,919,396	-	28,919,396
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	12,983,787	25,912,064	-	27,521,741	66,417,592
Total noncurrent assets	19,063,787	28,426,803	29,452,956	28,671,054	105,614,600
Total assets	20,346,029	28,525,353	35,763,161	29,721,718	114,356,261
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives (restated)	-	-	353,440	-	353,440
Liabilities					
Current liabilities:					
Accounts payable and other accrued liabilities	-	17,367	24,006	8,800	50,173
Accrued bond interest payable	2,601	-	31,875	22,878	57,354
Payable from restricted assets	-	-	-	17,196	17,196
Current portion of long-term debt	-	-	172,000	-	172,000
Total current liabilities	2,601	17,367	227,881	48,874	296,723
Noncurrent liabilities:					
Long-term debt	15,350,000	-	8,814,000	29,840,934	54,004,934
Unearned revenue	72,858	15,600	915,373	952,779	1,956,610
Total noncurrent liabilities	15,422,858	15,600	9,729,373	30,793,713	55,961,544
Total liabilities	15,425,459	32,967	9,957,254	30,842,587	56,258,267
Net Position					
Net investment in capital assets	2,338,787	28,426,803	(8,986,000)	(2,319,193)	19,460,397
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	1,132,117	1,132,117
Unrestricted (restated)	1,206,783	65,583	34,645,347	66,207	35,983,920
Total net position (restated)	$4,920,570	$28,492,386	$26,159,347	$(1,120,869)	$ 58,451,434

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PARKING GARAGE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Operating Revenues					
Interest income on loans and notes receivable	$ -	$ -	$ 346,856	$ -	$ 346,856
Rental income	-	187,200	12,626	33,333	233,159
Other income	5,614	-	-	-	5,614
Administrative services revenue	-	-	30,000	-	30,000
Parking garage revenues	1,582,857	1,238,889	-	1,550,273	4,372,019
Total operating revenues	1,588,471	1,426,089	389,482	1,583,606	4,987,648
Operating Expenses					
Professional fees	17,559	(1,766)	9,541	7,663	32,997
Administrative services agreement	-	-	-	30,000	30,000
Travel	800	-	231	-	1,031
Supplies and other	97	6	6	-	109
Depreciation and amortization	448,437	751,988	-	725,004	1,925,429
Parking garage operating expenses	568,202	499,580	-	391,046	1,458,828
Miscellaneous	1,500	13	395	-	1,908
Total operating expenses	1,036,595	1,249,821	10,173	1,153,713	3,450,302
Operating income	551,876	176,268	379,309	429,893	1,537,346
Non-Operating Revenue (Expense)					
Interest on cash and investments	15	-	3,871	3,512	7,398
Bond interest expense	(25,046)	-	(130,177)	(274,537)	(429,760)
Bond expense	(181,058)	(2,412)	(9,000)	(127,780)	(320,250)
Contributions to others	-	-	(5,014,400)	(809,000)	(5,823,400)
Contribution from SSGPPC	-	-	809,000	-	809,000
Total non-operating revenue (expense)	(206,089)	(2,412)	(4,340,706)	(1,207,805)	(5,757,012)
Total income (loss)	345,787	173,856	(3,961,397)	(777,912)	(4,219,666)
Change in net position	345,787	173,856	(3,961,397)	(777,912)	(4,219,666)
Net position - beginning (restated)	4,920,570	28,492,386	26,159,347	(1,120,869)	58,451,434
Net position - ending	$5,266,357	$28,666,242	$22,197,950	$(1,898,781)	$54,231,768

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PARKING GARAGE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Operating Revenues					
Interest income on loans and notes receivable	$ -	$ -	$ 347,783	$ -	$ 347,783
Rental income	-	187,200	12,527	33,333	233,060
Other income	29,733	-	-	-	29,733
Administrative services revenue	-	-	30,000	-	30,000
Parking garage revenues	1,398,193	1,114,815	-	1,316,005	3,829,013
Total operating revenues	1,427,926	1,302,015	390,310	1,349,338	4,469,589
Operating Expenses					
Professional fees	(100)	17,627	29,362	-	46,889
Administrative services agreement	-	-	-	30,000	30,000
Travel	-	-	169	-	169
Supplies and other	5	16	21	-	42
Depreciation and amortization (restated)	440,031	756,938	-	726,135	1,923,104
Parking garage operating expenses	549,057	444,113	-	332,709	1,325,879
Miscellaneous	1,500	1,645	395	-	3,540
Total operating expenses	990,493	1,220,339	29,947	1,088,844	3,329,623
Operating income	437,433	81,676	360,363	260,494	1,139,966
Non-Operating Revenue (Expense)					
Interest on cash and investments	5,485	372	13,864	107	19,828
Bond interest expense	(23,804)	(58,473)	(382,500)	(274,537)	(739,314)
Bond expense	(180,727)	(176,664)	(2,613)	(127,780)	(487,784)
Contributions to others	-	-	-	(805,606)	(805,606)
Contribution from SSGPPC	-	-	805,606	-	805,606
Total non-operating revenue (expense)	(199,046)	(234,765)	434,357	(1,207,816)	(1,207,270)
Income (loss) before interfund transfers	238,387	(153,089)	794,720	(947,322)	(67,304)
Interfund Transfers	(3,792,879)	12,544,644	(5,751,765)	-	3,000,000
Change in net position	(3,554,492)	12,391,555	(4,957,045)	(947,322)	2,932,696
Net position - beginning (restated)	8,475,062	16,100,831	31,116,392	(173,547)	55,518,738
Net position - ending (restated)	$4,920,570	$28,492,386	$26,159,347	$(1,120,869)	$58,451,434

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF CASH FLOWS
PARKING GARAGE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Cash Flows From Operating Activities					
Receipts from customers and users	$1,515,613	$1,410,489	$ 385,670	$1,550,271	$4,862,043
Payments to suppliers and lessors	(687,701)	(582,443)	(34,486)	(428,056)	(1,732,686)
Contributions due to others	-	-	(5,000,000)	-	(5,000,000)
Net cash provided (used) by operating activities	827,912	828,046	(4,648,816)	1,122,215	(1,870,643)
Cash Flows From Noncapital Financing Activities					
Contributions to others (member contributions)	-	-	-	(809,000)	(809,000)
Contributions from SSGPPC	-	-	809,000	-	809,000
Net cash provided (used) by noncapital financing activities	-	-	809,000	(809,000)	-
Cash Flows From Capital and Related Financing Activities					
Long-term debt principal paid	-	-	(172,000)	-	(172,000)
Long-term debt expense and interest paid	(207,462)	(2,412)	(160,448)	(402,317)	(772,639)
Acquisition of buildings and equipment	(64,494)	-	-	-	(64,494)
Net cash used by capital and related financing activities	(271,956)	(2,412)	(332,448)	(402,317)	(1,009,133)
Cash Flows From Investing Activities					
Maturities of investments	-	-	1,794,240	-	1,794,240
Interest on cash and investments	15	-	3,927	3,512	7,454
Receipt of loan payments	-	-	26,173	-	26,173
Net cash provided by investing activities	15	-	1,824,340	3,512	1,827,867
Net increase (decrease) in cash and cash equivalents	555,971	825,634	(2,347,924)	(85,590)	(1,051,909)
Cash and cash equivalents - July 1	2,627,896	90,974	4,960,990	1,265,036	8,944,896
Cash and cash equivalents - June 30	$3,183,867	$ 916,608	$ 2,613,066	$1,179,446	$7,892,987
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	$551,876	$ 176,268	$379,309	$429,893	$1,537,346
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expenses	$448,437	$ 751,988	$ -	$725,004	$1,925,429
(Increase) decrease in accrued interest on loans and notes receivable	-	-	8,813	-	8,813
(Increase) decrease in prepaid expenses and other assets	(116,902)	(74,977)	-	8,902	(182,977)
Increase (decrease) in accounts payable and accrued liabilities	17,359	(9,633)	(5,024,313)	(8,249)	(5,024,836)
Increase (decrease) in deferred charges	(72,858)	(15,600)	(12,625)	(33,335)	(134,418)
Total adjustments	276,036	651,778	(5,028,125)	692,322	(3,407,989)
Net cash provided (used) by operating activities	$ 827,912	$ 828,046	$(4,648,816)	$1,122,215	$(1,870,643)
Reconciliation of cash and cash equivalents to the statement of net position					
Cash	$1,808,867	$ 916,608	$ 2,113,066	$154,401	$4,992,942
Restricted assets	1,375,000	-	500,000	1,025,045	2,900,045
Total cash and cash equivalents	$3,183,867	$ 916,608	$ 2,613,066	$1,179,446	$7,892,987

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF CASH FLOWS
PARKING GARAGE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Cash Flows From Operating Activities					
Receipts from customers and users	$1,407,583	$1,302,016	$ 369,013	$1,288,300	$ 4,366,912
Payments to suppliers and lessors	(536,625)	(449,887)	(5,942)	(340,671)	(1,333,125)
Contributions due to others	-	-	(5,000,000)	-	(5,000,000)
Net cash provided (used) by operating activities	870,958	852,129	(4,636,929)	947,629	(1,966,213)
Cash Flows From Noncapital Financing Activities					
Interfund transfers	(3,792,879)	12,544,644	(5,751,765)	-	3,000,000
Contributions to others	-	-	-	(805,606)	(805,606)
Contributions from SSGPPC	-	-	805,606	-	805,606
Net cash provided (used) by noncapital financing activities	(3,792,879)	12,544,644	(4,946,159)	(805,606)	3,000,000
Cash Flows From Capital and Related Financing Activities					
Long-term debt principal paid	-	(15,000,000)	(14,000)	-	(15,014,000)
Long-term debt expense and interest paid	(203,245)	(238,661)	(385,113)	(402,317)	(1,229,336)
Acquisition of buildings and equipment	(37,388)	-	-	(2,047,316)	(2,084,704)
Net cash used by capital and related financing activities	(240,633)	(15,238,661)	(399,113)	(2,449,633)	(18,328,040)
Cash Flows From Investing Activities					
Maturities of investments	3,775,642	-	1,865,000	-	5,640,642
Interest on cash and investments	9,182	373	26,997	107	36,659
Receipt of loan payments	-	-	25,912	-	25,912
Net cash provided by investing activities	3,784,824	373	1,917,909	107	5,703,213
Net increase (decrease) in cash and cash equivalents	622,270	(1,841,515)	(8,064,292)	(2,307,503)	(11,591,040)
Cash and cash equivalents - July 1	2,005,626	1,932,489	13,025,282	3,572,539	20,535,936
Cash and cash equivalents - June 30	$2,627,896	$90,974	$4,960,990	$1,265,036	$ 8,944,896
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	$ 437,433	$ 81,677	$ 353,862	$ 260,494	$1,133,466
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expenses	440,031	756,938	6,500	726,135	1,929,604
(Increase) decrease in accrued interest on loans and notes receivable	-	-	(8,770)	-	(8,770)
(Increase) decrease in prepaid expenses and other assets	16,250	(3,080)	-	15,739	28,909
Increase (decrease) in accounts payable and accrued liabilities	(2,413)	16,594	(4,975,994)	6,299	(4,955,514)
Increase (decrease) in deferred charges	(20,343)	-	(12,527)	(61,038)	(93,908)
Total adjustments	433,525	770,452	(4,990,791)	687,135	(3,099,679)
Net cash provided (used) by operating activities	$ 870,958	$ 852,129	$(4,636,929)	$ 947,629	$(1,966,213)
Reconciliation of cash and cash equivalents to the statement of net position					
Cash	$1,252,896	$90,974	$6,255,230	$115,723	$7,714,823
Restricted assets	1,375,000	-	500,000	1,149,313	3,024,313
Less: Portion maturing in 90 days or more	-	-	(1,794,240)	-	(1,794,240)
Total cash and cash equivalents	$2,627,896	$90,974	$4,960,990	$1,265,036	$ 8,944,896

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF NET POSITION
REVOLVING LOAN FUND
JUNE 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
Current assets:			
Current portion of loans and notes receivable	$ 94,598	$ 126,198	$ 220,796
Accrued interest on loans and notes receivable	9,515	-	9,515
Total current assets	104,113	126,198	230,311
Noncurrent assets:			
Cash available to loan	1,812,383	933,939	2,746,322
Long-term portion of loans and notes receivable	872,665	837,397	1,710,062
Total noncurrent assets	2,685,048	1,771,336	4,456,384
Total assets	$2,789,161	$1,897,534	$4,686,695
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	$ -	$ 260	$ 260
Total current liabilities	-	260	260
Total liabilities	-	260	260
Net Position			
Restricted			
Restricted for revolving loan funds	2,789,161	1,897,274	4,686,435
Total net position	$2,789,161	$1,897,274	$4,686,435

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF NET POSITION
REVOLVING LOAN FUND
JUNE 30, 2012

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
Current assets:			
Current portion of loans and notes receivable	$ 90,975	$ 120,177	$ 211,152
Accrued interest on loans and notes receivable	31,729	-	31,729
Total current assets	122,704	120,177	242,881
Noncurrent assets:			
Cash available to loan	1,673,607	747,002	2,420,609
Long-term portion of loans and notes receivable	980,110	1,018,044	1,998,154
Total noncurrent assets	2,653,717	1,765,046	4,418,763
Total assets	2,776,421	1,885,223	4,661,644
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	$ -	$ 646	$ 646
Total current liabilities	-	646	646
Total liabilities	-	646	646
Net Position			
Restricted			
Restricted for revolving loan funds	2,776,421	1,884,577	4,660,998
Total net position	$2,776,421	$1,884,577	$4,660,998

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating Revenues			
Interest income on loans and notes receivable	$ 23,716	$ 28,264	$ 51,980
Other income	44	5,093	5,137
Total operating revenues	23,760	33,357	57,117
Operating Expenses			
Professional fees	-	1,727	1,727
Supplies and other	93	73	166
Bad debt expense	11,977	19,364	31,341
Total operating expenses	12,070	21,164	33,234
Operating income	11,690	12,193	23,883
Non-Operating Revenue			
Interest on cash and investments	1,050	504	1,554
Total non-operating revenue	1,050	504	1,554
Change in net position	12,740	12,697	25,437
Net position - beginning	2,776,421	1,884,577	4,660,998
Net position - ending	$2,789,161	$1,897,274	$4,686,435

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2012

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating Revenues			
Interest income on loans and notes receivable	$ 37,877	$ 29,193	$ 67,070
Other income	23,000	10,336	33,336
Total operating revenues	60,877	39,529	100,406
Operating Expenses			
Professional fees	1,375	16,856	18,231
Supplies and other	-	482	482
Bad debt expense	(2,306)	21,342	19,036
Total operating expenses	(931)	38,680	37,749
Operating income	61,808	849	62,657
Non-Operating Revenue			
Interest on cash and investments	868	500	1,368
Total non-operating revenue	868	500	1,368
Change in net position	62,676	1,349	64,025
Net position - beginning	2,713,745	1,883,228	4,596,973
Net position - ending	$2,776,421	$1,884,577	$4,660,998

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF CASH FLOWS
REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash Flows From Operating Activities			
Receipts from customers and users	$ 33,953	$ 28,668	$ 62,621
Payments to suppliers and lessors	(93)	(2,186)	(2,279)
Net cash provided by operating activities	33,860	26,482	60,342
Cash Flows From Investing Activities			
Interest on cash and investments	1,050	504	1,554
Disbursement of loan proceeds	-	(34,321)	(34,321)
Receipt of loan payments	103,866	194,272	298,138
Net cash provided by investing activities	104,916	160,455	265,371
Net increase in cash and cash equivalents	138,776	186,937	325,713
Cash and cash equivalents - July 1	1,673,607	747,002	2,420,609
Cash and cash equivalents - June 30	$1,812,383	$933,939	$2,746,322
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$11,690	$ 12,193	$ 23,883
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase (decrease) in allowance for bad debt	(44)	14,675	14,631
(Increase) decrease in accrued interest on loans and notes receivable	22,214	-	22,214
Increase (decrease) in accounts payable and accrued liabilities	-	(386)	(386)
Total adjustments	22,170	14,289	36,459
Net cash provided by operating activities	$ 33,860	$ 26,482	$ 60,342
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash	$ -	$ -	$ -
Restricted assets	1,812,383	933,939	2,746,322
Total cash and cash equivalents	$1,812,383	$933,939	$2,746,322

MISSOURI DEVELOPMENT FINANCE BOARD

COMBINING SCHEDULE OF CASH FLOWS
REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2012

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash Flows From Operating Activities			
Receipts from customers and users	$ 57,250	$ 39,529	$ 96,779
Payments to suppliers and lessors	(2,006)	(20,801)	(22,807)
Net cash provided by operating activities	55,244	18,728	73,972
Cash Flows From Investing Activities			
Interest on cash and investments	868	500	1,368
Disbursement of loan proceeds	(58,000)	(530,358)	(588,358)
Receipt of loan payments	118,800	123,492	242,292
Net cash provided (used) by investing activities	61,668	(406,366)	(344,698)
Net increase (decrease) in cash and cash equivalents	116,912	(387,638)	(270,726)
Cash and cash equivalents - July 1	1,556,695	1,134,640	2,691,335
Cash and cash equivalents - June 30	$1,673,607	$747,002	$2,420,609
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 61,808	$ 849	$ 62,657
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase (decrease) in allowance for bad debt	(2,306)	21,342	19,036
(Increase) decrease in accrued interest on loans and notes receivable	(3,627)	-	(3,627)
Increase (decrease) in accounts payable and accrued liabilities	(631)	(3,463)	(4,094)
Total adjustments	(6,564)	17,879	11,315
Net cash provided by operating activities	$ 55,244	$ 18,728	$ 73,972
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash	$ -	$ -	$ -
Restricted assets	1,673,607	747,002	2,420,609
Total cash and cash equivalents	$1,673,607	$747,002	$2,420,609

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STATISTICAL SECTION

MISSOURI DEVELOPMENT FINANCE BOARD

A Component Unit of the State of Missouri

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2013

Statistical Section (Unaudited)

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health. The Board is a discretely presented component unit of the State of Missouri as defined by Government Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. Based on GASB No. 14, some of the accompanying statistical section segments will include references to the State of Missouri. Such segments will be noted as such. All other information is to be deemed as attributable to the Board, and does not reflect the financial position and results of operations of the State.

- **Financial Trends** - These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

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- **Revenue Capacity -** These schedules contain information to help the reader assess the factors affecting the Board's ability to generate its own source income.

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Other Changes in Net Position....................63
Parking Garage Space and Rate Information - Principal Parking Garage Lessees 64-65
Parking Garage Revenues - Principal Parking Garage Lessees 66

- **Debt Capacity -** These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

Pledged Revenue Coverage by Net Revenue Available 67
Pledged Revenue Coverage by Parking Capacity.................... 68
Outstanding Debt by Type....................69

- **Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Due to the fact that the Board was established to serve the State of Missouri, and is a component unit as defined by Government Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, demographic and economic information for the State of Missouri will be presented in this section.

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- **Operating Information** - These schedules contain information about the Board's operations and resources to help the reader understand how the Board's financial information relates to the services the Board provides and the activities it performs.

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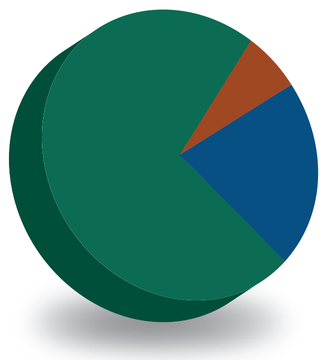
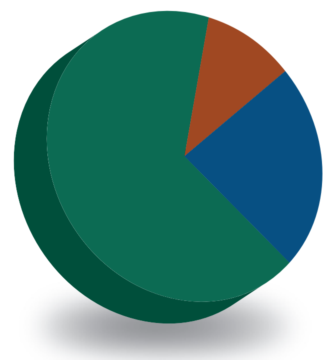
MISSOURI DEVELOPMENT FINANCE BOARD

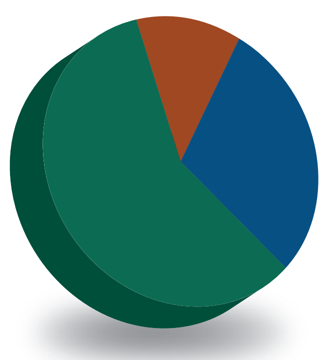
SCHEDULE OF NET POSITION BY COMPONENT
FISCAL YEARS 2004 TO 2013

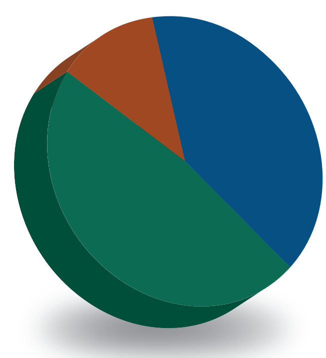
	2013		2012	
	$	%	$	%
Net investment in capital assets	$17,801,907	21.30%	$19,499,463	23.20%
Restricted	8,069,284	9.66%	8,668,115	10.32%
Unrestricted	57,703,168	69.04%	55,847,527	66.47%
	$83,574,359	100.00%	$84,015,105	100.00%



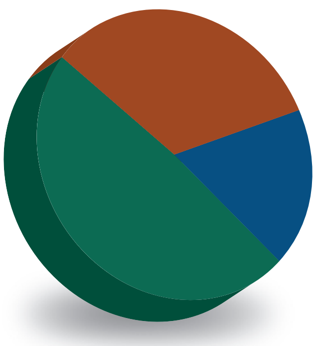


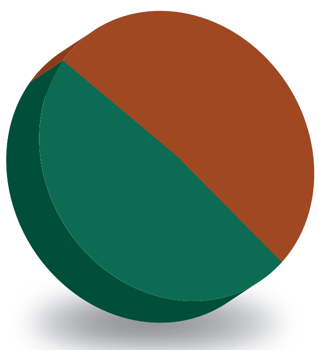
	2008		2007	
	$	%	$	%
Net investment in capital assets	$20,321,656	29.36%	$30,561,762	40.18%
Restricted	8,428,168	12.18%	9,374,562	12.33%
Unrestricted	40,458,398	58.46%	36,118,289	47.49%
	$69,208,222	100.00%	$76,054,613	100.00%

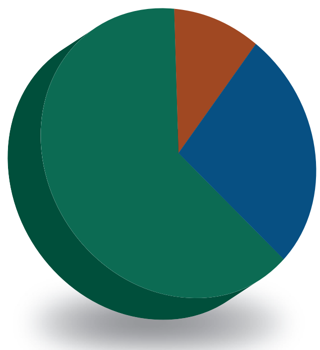




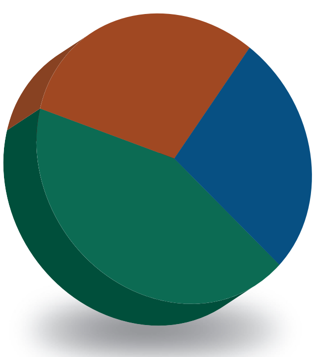
2011		2010		2009	
$	%	$	%	$	%
$15,196,313	18.17%	$70,973	0.08%	$20,069,761	26.78%
27,868,870	33.32%	45,267,090	51.77%	7,410,706	9.89%
40,567,366	48.51%	42,097,604	48.15%	47,452,756	63.33%
$83,632,549	100.00%	$87,435,667	100.00%	$74,933,223	100.00%

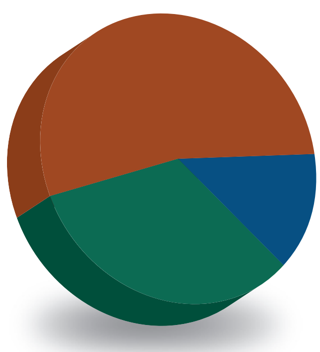


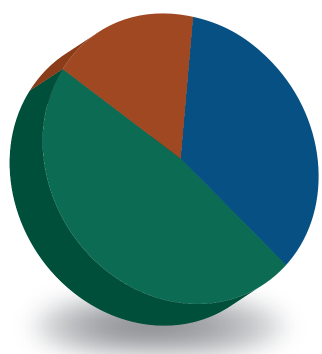




2006		2005		2004	
$	%	$	%	$	%
$19,317,590	27.07%	$9,493,788	13.66%	$20,034,676	34.89%
21,839,950	30.61%	37,282,046	53.65%	10,177,542	17.72%
30,192,521	42.32%	22,712,166	32.69%	27,213,782	47.39%
$71,350,061	100.00%	$69,488,000	100.00%	$57,426,000	100.00%





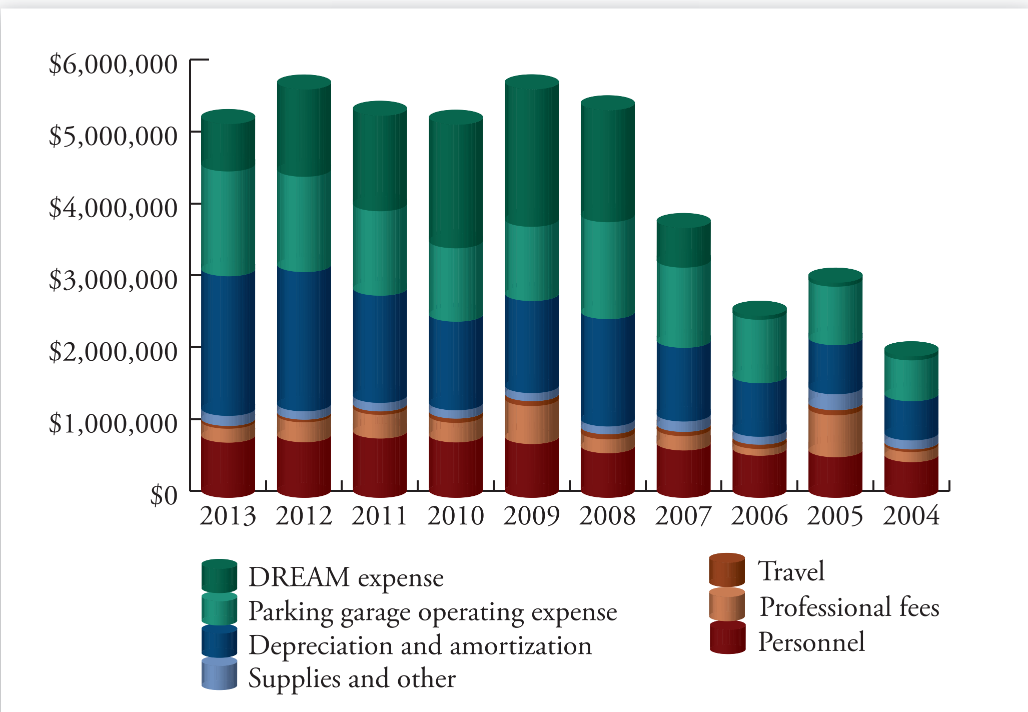


Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF EXPENSES BY FUNCTION
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Operating expenses					
Personnel	$ 806,177	$ 811,731	$ 863,310	$ 809,289	$ 786,596
Professional fees	155,546	238,806	291,826	233,485	490,168
Travel	37,872	36,678	47,448	59,337	67,536
Supplies and other	140,480	116,711	118,594	116,152	113,348
Depreciation and amortization	1,941,705	1,936,144	1,490,679	1,231,998	1,279,643
Parking garage operating expense	1,458,828	1,325,879	1,174,816	1,020,824	1,032,951
DREAM expense	603,238	1,158,332	1,272,301	1,663,518	1,856,262
Bad debt and miscellaneous	120,642 [1]	101,992 [2]	174,466 [3]	97,642 [4]	153,211 [5]
Total operating expenses	5,264,488	5,726,273	5,433,440	5,232,245	5,779,715
Non-operating expenses					
Interest and bond expense	750,010	1,227,098	1,005,485	705,815	878,092
Research and development expense	-	-	-	35,350	-
Contributions to others	5,014,400	-	5,000,000	-	1,600,000
Total non-operating expenses	5,764,410	1,227,098	6,005,485	741,165	2,478,092
Total expenses	$11,028,898	$6,953,371	$11,438,925	$5,973,410	$8,257,807



	2008	2007	2006	2005	2004
Operating expenses					
Personnel	$ 658,415	$ 697,353	$ 623,541	$ 603,068	$ 534,550
Professional fees	155,086	161,182	56,754	544,589	102,686
Travel	70,355	58,646	59,265	70,375	35,881
Supplies and other	109,176	144,828	110,242	222,613	125,957
Depreciation and amortization	1,492,209	1,024,531	743,372	683,016	544,707
Parking garage operating expense	1,348,926	1,115,373	883,789	813,265	568,394
DREAM expense	1,501,079	495,312	-	-	-
Bad debt and miscellaneous	126,076 [6]	205,122 [7]	3,527,826 [8]	9,492,203 [9]	21,094
Total operating expenses	5,461,322	3,902,347	6,004,789	12,429,129	1,933,269
Non-operating expenses					
Interest and bond expense	1,442,893	936,157	733,823	550,946	459,897
Research and development expense	-	-	-	-	-
Contributions to others	10,713,892	-	-	-	-
Total non-operating expenses	12,156,785	936,157	733,823	550,946	459,897
Total expenses	$17,618,107	$4,838,504	$6,738,612	$12,980,075	$2,393,166

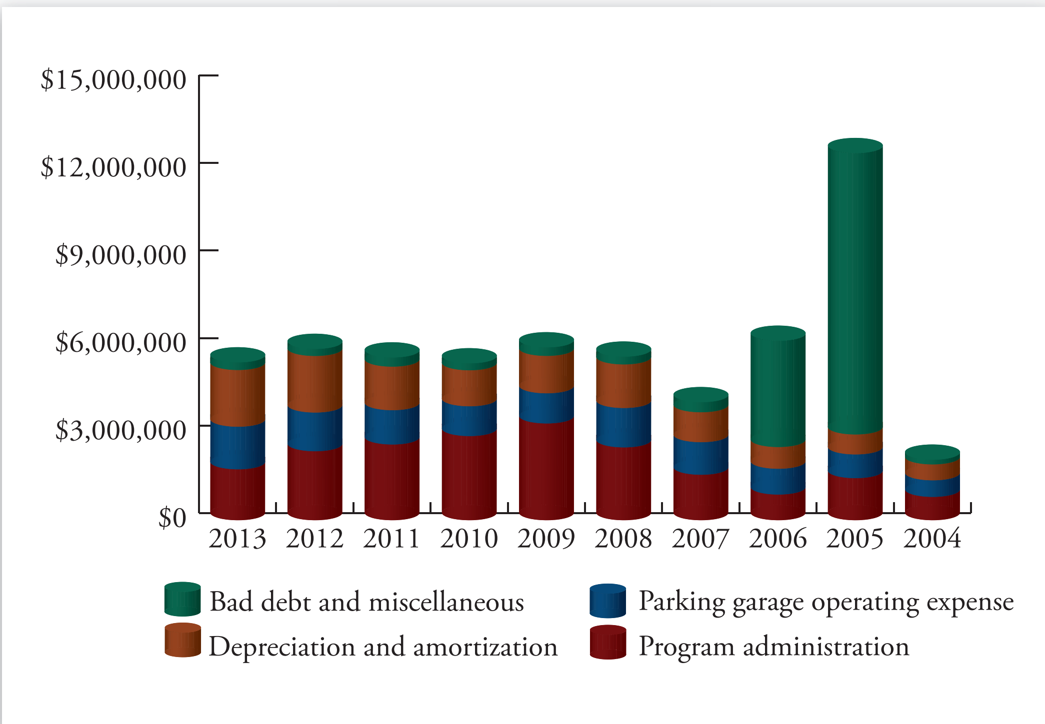
[1] *Includes bad debt expense of $31,341*
[2] *Includes bad debt expense of $19,036*
[3] *Includes bad debt expense of $111,013*
[4] *Includes bad debt expense of $0*
[5] *Includes bad debt expense of $80,001*
[6] *Includes bad debt expense of $105,929*
[7] *Includes bad debt expense of $138,806*
[8] *Includes bad debt expense of $3,498,074*
[9] *Includes bad debt expense of $9,356,822*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF EXPENSES BY IDENTIFIABLE ACTIVITY
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Operating expenses					
Program administration	$ 1,743,313	$2,362,258	$ 2,593,479	$2,881,781	$3,313,910
Parking garage operating expense	1,458,828	1,325,879	1,174,816	1,020,824	1,032,951
Depreciation and amortization	1,941,705	1,936,144	1,490,679	1,231,998	1,279,643
Bad debt and miscellaneous	120,642 [1]	101,992 [2]	174,466 [3]	97,642 [4]	153,211 [5]
Total operating expenses	5,264,488	5,726,273	5,433,440	5,232,245	5,779,715
Non-operating expenses					
Interest and bond expense	750,010	1,227,098	1,005,485	705,815	878,092
Research and development expense	-	-	-	35,350	-
Contributions to others	5,014,400	-	5,000,000	-	1,600,000
Total non-operating expenses	5,764,410	1,227,098	6,005,485	741,165	2,478,092
Total expenses	$11,028,898	$6,953,371	$11,438,925	$5,973,410	$8,257,807



	2008	2007	2006	2005	2004
Operating expenses					
Program administration	$ 2,494,111	$1,557,321	$ 879,554	$ 1,440,645	$ 799,074
Parking garage operating expense	1,348,926	1,115,373	883,789	813,265	568,394
Depreciation and amortization	1,492,209	1,024,531	743,372	683,016	544,707
Bad debt and miscellaneous	126,076 [6]	205,122 [7]	3,498,074 [8]	9,492,203 [9]	21,094
Total operating expenses	5,461,322	3,902,347	6,004,789	12,429,129	1,933,269
Non-operating expenses					
Interest and bond expense	1,442,893	936,157	733,823	550,946	459,897
Research and development expense	-	-	-	-	-
Contributions to others	10,713,892	-	-	-	-
Total non-operating expenses	12,156,785	936,157	733,823	550,946	459,897
Total expenses	$17,618,107	$4,838,504	$6,738,612	$12,980,075	$2,393,166

1 *Includes bad debt expense of $31,341*
2 *Includes bad debt expense of $19,036*
3 *Includes bad debt expense of $111,013*
4 *Includes bad debt expense of $0*
5 *Includes bad debt expense of $80,001*
6 *Includes bad debt expense of $105,929*
7 *Includes bad debt expense of $138,806*
8 *Includes bad debt expense of $3,498,074*
9 *Includes bad debt expense of $9,356,822*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF REVENUES BY SOURCE
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Operating revenues					
Participation fees - Loan Guarantee	$ -	$ -	$ -	$ -	$ -
Participation fees - Private Activity Bonds	50,000	36,175	47,500	115,000	158,160
Participation fees - Public Activity Bonds	428,732	226,951	75,000	112,122	352,308
Participation fees - Notes Receivable	-	-	-	5,000	2,162
Participation fees - Tax Credits	554,792	889,337	1,227,639	2,787,360	1,498,369
Participation fees - BUILD Missouri	3,724,025	479,239	670,288	855,547	464,964
Participation fees - Tax Abatement	-	-	-	-	-
Participation fees - MODESA	25,000	-	-	-	-
Interest income on loans and notes receivable	570,472	593,558	932,215	289,535	160,837
Rental income	233,159	233,060	215,918	169,795	25,008
Contractual income	70,000	70,000	70,000	69,782	77,210
DREAM revenues	271,426	554,527	826,170	924,639	873,330
Parking garage revenues	4,372,019	3,829,013	3,106,486	2,599,226	3,080,901
Other income	260,817	355,320	239,999	234,503	43,362
Total operating revenues	10,560,442	7,267,180	7,411,215	8,162,509	6,736,611
Adjustment to allowance for notes receivable	-	-	-	-	6,114,405
Non-operating revenues					
Interest on cash and investments	27,710	68,747	224,592	313,345	1,131,792
Total revenues	$10,588,152	$7,335,927	$7,635,807	$8,475,854	$13,982,808

	2008	2007	2006	2005	2004
Operating revenues					
Participation fees - Loan Guarantee	$ -	$ 1,955	$ 1,955	$ 7,820	$ -
Participation fees - Private Activity Bonds	137,750	251,000	-	111,240	110,320
Participation fees - Public Activity Bonds	161,876	186,695	191,833	215,113	278,325
Participation fees - Notes Receivable	-	5,000	-	-	36,633
Participation fees - Tax Credits	2,443,355	1,912,449	321,987	420,563	725,680
Participation fees - BUILD Missouri	307,438	245,918	562,584	318,617	222,701
Participation fees - Tax Abatement	-	-	2,500	-	-
Participation fees - MODESA	25,000	-	-	25,000	-
Interest income on loans and notes receivable	316,786	432,415	325,338	232,851	223,954
Rental income	25,008	25,008	25,008	25,057	25,008
Contractual income	75,990	68,757	61,342	60,648	56,934
DREAM revenues	809,894	-	-	-	-
Parking garage revenues	3,623,164	2,743,209	2,259,686	1,815,481	1,573,553
Other income	311,728	373,565	119,272	54,010	14,552
Total operating revenues	8,237,989	6,245,971	3,871,505	3,286,400	3,267,660
Adjustment to allowance for notes receivable	-	-	-	-	-
Non-operating revenues					
Interest on cash and investments	2,533,726	3,072,083	2,129,169	1,241,632	576,685
Total revenues	$10,771,715	$9,318,054	$6,000,674	$4,528,032	$3,844,345

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF OTHER CHANGES IN NET POSITION
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Income (loss) before other changes in net position	$(440,746)	$382,556	$(3,803,118)	$ 2,502,444	$5,725,001
Contributed revenue	-	-	-	10,000,000	-
Gain on sale of asset	-	-	-	-	-
Total change in net position	$(440,746)	$382,556	$(3,803,118)	$12,502,444	$5,725,001

	2008	2007	2006	2005	2004
Income (loss) before other changes in net position	$(6,846,391)	$4,479,551	$ (737,939)	$(8,452,142)	$1,451,179
Contributed revenue	-	225,000	2,600,000	20,514,142	5,799,361
Gain on sale of asset	-	-	-	-	24,500
Total change in net position	$(6,846,391)	$4,704,551	$1,862,061	$12,062,000	$7,275,040

MISSOURI DEVELOPMENT FINANCE BOARD

PARKING GARAGE SPACE AND RATE INFORMATION - PRINCIPAL PARKING GARAGE LESSEES
FISCAL YEARS 2004 TO 2013

	2013		2012		2011		2010	
	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
St. Louis Convention Center Hotel Garage Leases								
(880-space parking garage)								
Renaissance Grand Hotel*	375	$123	375	$123	375	$123	375	$123
Merchandise Mart*	20	105	20	105	20	105	20	105
Roberts Old School House Lofts, LP - reserved spaces	-	n/a	50	125	32	125	75	125
STL Loft Partners, LLC	40	125	-		-		-	
	435		445		427		470	
Ninth Street Garage Leases								
(1,050-space parking garage)								
Court of Appeals - reserved spaces	13	$115	13	$115	13	$115	13	$105
Court of Appeals - unreserved spaces	20	99	20	99	20	99	20	90
Webster University - unreserved spaces	30	100	30	100	30	100	30	100
Frisco Associates - unreserved spaces	100	100	100	100	100	100	100	100
Pyramid Construction assigned to Paul Brown Developer, LP - reserved spaces	75	125	75		75	125	75	125
Roberts Old School House Lofts, LP - reserved spaces	-	n/a	-	n/a	-	n/a	20	100
913 Locust (Talley Properties, LLC) - unreserved spaces	-	n/a	-	n/a	5	100	5	100
917 Locust (Roberts Brothers Prop.) - reserved spaces	-	n/a	-	n/a	26	125	26	125
917 Locust (Roberts Brothers Prop.) - unreserved spaces	-	n/a	-	n/a	15	100	15	100
Syndicate Apartments - unreserved spaces	28	100	28	100	28	100	28	100
Syndicate Retail - unreserved spaces	42	100	42	100	42	100	42	100
	308		308		354		374	
Seventh Street Garage Leases								
(750-space parking garage)								
600 Tower, LLC - reserved spaces	89	$160	85	$155	85			
600 Tower, LLC - unreserved spaces	293	130	230	130	170	130		
US Bank, NA - unreserved spaces	400	125	400	125	400	125		
	782		715		655			
	1,525		1,468		1,436		844	

St. Louis Convention Center Hotel Garage began operations August 2002.
Ninth Street Garage began operations February 2007.
Seventh Street Garage began operations February 2011.

** Lease is written based on a minimum amount to be paid per fiscal year.*
Monthly rate and # of leased spaces are estimated as of June 30 of fiscal year.

2009		2008		2007		2006		2005		2004	
# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
375	$123	375	$123	375	$123	375	$123	375	$123	375	$123
20	105	20	105	20	105	20	105	20	105	20	105
75	125	75	125	75	125	75	125	-		-	
-		-		-	n/a	-		-		-	
470		470		470		470		395		395	
13	$105	13	$105	13	$105						
20	90	20	90	20	90						
30	90	30	90	30	90						
100	90	100	90	100	90						
75	125	75	125	75	125						
20	90	20	90	20	90						
5	90	5	90	5	90						
26	125	26	125	26	125						
15	90	15	90	15	90						
20	90	20	90	20	90						
10	90	10	90	10	90						
334		334		334							
804		804		804		470		395		395	

MISSOURI DEVELOPMENT FINANCE BOARD

PARKING GARAGE REVENUES - PRINCIPAL PARKING GARAGE LESSEES
FISCAL YEARS 2013 AND 2004

	2013	% of Actual Parking Revenue	2004	% of Actual Parking Revenue
St. Louis Convention Center Hotel Garage				
Renaissance Grand Hotel	$ 554,282	14%	$ 554,282	35%
Merchandise Mart	25,000	1%	25,000	2%
STL Loft Partners, LLC	40,000	1%	-	0%
	619,282	16%	579,282	37%
Ninth Street Garage				
Court of Appeals	41,700	1%		
Webster University	36,000	1%		
Frisco Associates	120,000	3%		
Paul Brown Developer, LP	112,500	3%		
Syndicate Apartments	33,600	1%		
Syndicate Retail	50,400	1%		
	394,200	10%		
Seventh Street Garage				
600 Tower	579,525	13%		
US Bank, NA	600,000	14%		
	1,179,525	27%		
Total Base	$2,193,007	50%	$579,282	37%
Actual Parking Garage Revenue	$4,372,019		$1,573,553	

MISSOURI DEVELOPMENT FINANCE BOARD

PLEDGED REVENUE COVERAGE BY NET REVENUE AVAILABLE
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Total operating and non-operating revenues	$10,588,152	$7,335,927	$7,635,807	$8,475,854	$13,982,808
Total operating and non-operating expenses	11,028,898	6,953,371	11,438,925	5,973,410	8,257,807
Net revenue available	(440,746)	382,556	(3,803,118)	2,502,444	5,725,001
Debt service					
Principal	172,000	15,014,000	255,000	245,000	1,000,000
Interest[1]	429,760	739,314	595,190	157,074	517,121
Bond expenses	320,250	487,784	410,295	548,741	360,971
Total debt service	$922,010	$16,241,098	$1,260,485	$950,815	$1,878,092
Debt service coverage	(0.48)	0.02	(3.02)	2.63	3.05

	2008	2007	2006	2005	2004
Total operating and non-operating revenues	$10,771,715	$9,318,054	$6,000,674	$4,528,032	$3,844,341
Total operating and non-operating expenses	17,618,107	4,838,504	6,738,612	12,980,075	2,393,166
Net revenue available	(6,846,392)	4,479,550	(737,938)	(8,452,043)	1,451,175
Debt service					
Principal	-	-	2,750,000	-	3,000,000
Interest[1]	1,075,534	711,903	551,858	350,978	210,760
Bond expenses	367,358	224,254	181,965	199,968	249,137
Total debt service	$1,442,892	$936,157	$3,483,823	$550,946	$3,459,897
Debt service coverage	(4.74)	4.79	(0.21)	(15.34)	0.42

[1] *Interest does not include capitalized interest paid from bond proceeds.*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

PLEDGED REVENUE COVERAGE BY PARKING CAPACITY
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Garages					
Total number of operational garages [1]	3	3	3	2	2
Parking capacity per year [2]	978,200	978,200	978,200	704,450	704,450
Total Debt Outstanding	$54,004,934	$54,176,934	$69,190,934	$69,445,934	$30,850,000
Debt service					
Principal	$172,000	$15,014,000	$255,000	$ 245,000	$ 1,000,000
Interest [3]	429,760	739,314	595,190	157,074	517,121
Bond expense	320,250	487,784	410,295	548,741	360,971
Total debt service	$ 922,010	$16,241,098	$ 1,260,485	$ 950,815	$ 1,878,092
Daily required revenue per space to cover annual debt service	0.94	16.60	1.29	1.35	2.67

	2008	2007	2006	2005	2004
Garages					
Total number of operational garages [1]	2	3	2	2	2
Parking capacity per year [2]	704,450	887,315	504,065	504,065	504,065
Total Debt Outstanding	$31,850,000	$31,850,000	$34,600,000	$18,100,000	$18,100,000
Debt service					
Principal	$-	$-	$2,750,000	$-	$ 3,000,000
Interest [3]	1,075,534	711,903	551,858	350,978	210,760
Bond expense	367,358	224,254	181,965	199,968	249,137
Total debt service	$ 1,442,892	$ 936,157	$ 3,483,823	$ 550,946	$ 3,459,897
Daily required revenue per space to cover annual debt service	2.05	1.06	6.91	1.09	6.86

[1] *KCLG sold May 31, 2008.*
[2] *Calculated as total number of spaces x 365 days*
[3] *Interest does not include capitalized interest paid from bond proceeds*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009
Bond debt					
Ninth Street Garage	$ -	$ -	$15,000,000	$15,255,000	$15,500,000
Seventh Street Garage	8,814,000	8,986,000	9,000,000	9,000,000	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	24,164,000	24,336,000	39,350,000	39,605,000	30,850,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	29,840,934	29,840,934	-
Total debt	$54,004,934	$54,176,934	$69,190,934	$69,445,934	$30,850,000

	2008	2007	2006	2005	2004
Bond debt					
Ninth Street Garage	$16,500,000	$16,500,000	$16,500,000	$16,500,000	$ -
Seventh Street Garage	-	-	-	-	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	18,100,000	18,100,000
Total bond debt outstanding	31,850,000	31,850,000	31,850,000	34,600,000	18,100,000
Notes payable					
Seventh Street Garage	-	-	-	-	-
Total debt	$31,850,000	$31,850,000	$31,850,000	$34,600,000	$18,100,000

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

MISSOURI DEVELOPMENT FINANCE BOARD

STATE OF MISSOURI DEMOGRAPHIC STATISTICS
EMPLOYMENT

(In Thousands Except Unemployment Rates Data)

Calendar Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
2012	2,993	2,785	207	6.9	8.1
2011	3,022	2,767	255	8.4	8.9
2010	3,039	2,756	283	9.3	9.6
2009	3,068	2,779	289	9.4	9.3
2008	3,050	2,870	180	5.9	5.8
2007	3,049	2,895	154	5.0	4.6
2006	3,036	2,889	147	4.8	4.6
2005	3,011	2,850	162	5.4	5.1
2004	2,988	2,816	172	5.8	5.5
2003	2,979	2,814	166	5.6	6.0
2002	2,986	2,830	156	5.2	5.8
2001	3,003	2,868	135	4.5	4.7
2000	2,973	5,875	98	3.3	4.0
1999	2,911	2,820	91	3.1	4.2
1998	2,911	2,795	116	4.0	4.5
1997	2,904	2,780	124	4.3	4.9
1996	2,869	2,735	135	4.7	5.4
1995	2,822	2,690	132	4.7	5.6
1994	2,759	2,622	136	4.9	6.1
1993	2,706	2,540	166	6.1	6.9

Data Source: Missouri Economic Research and Information Center, U.S. Department of Labor — Bureau of Labor Statistics.

MISSOURI DEVELOPMENT FINANCE BOARD

STATE OF MISSOURI DEMOGRAPHIC STATISTICS
PERSONAL INCOME

Calendar Year	Missouri Total Personal Income (In Millions)	U.S. Total Personal Income (In Millions)	Missouri Per Capita Personal Income	U.S. Per Capita Personal Income	Missouri % Change From Prior Year	U.S. % Change From Prior Year
2012	$235,154	$13,401,869	$39,049	$42,693	2.8	2.7
2011	228,218	12,949,905	37,969	41,560	4.3	4.4
2010	218,278	12,308,496	36,406	39,791	1.6	3.0
2009	213,630	11,852,715	35,837	38,637	(5.0)	-5.6
2008	223,554	12,451,660	37,738	40,947	6.2	3.6
2007	209,131	11,900,562	35,521	39,506	4.4	4.7
2006	198,727	11,256,516	34,013	37,725	5.5	6.4
2005	186,753	10,476,669	32,253	35,452	2.7	4.6
2004	180,547	9,928,790	31,412	33,909	4.0	5.0
2003	172,529	9,369,072	30,218	32,295	3.2	2.6
2002	166,195	9,054,702	29,286	31,481	2.3	1.0
2001	161,545	8,878,830	28,637	31,157	2.7	2.8
2000	156,359	8,554,866	27,885	30,319	6.4	7.0
1999	145,826	7,906,131	26,218	28,333	3.1	3.9
1998	140,360	7,519,327	25,419	27,258	5.5	6.3
1997	132,117	6,994,388	24,104	25,654	5.3	5.0
1996	124,385	6,584,404	22,901	24,442	4.9	5.1
1995	117,418	6,194,245	21,832	23,262	3.8	4.3
1994	112,001	5,866,796	21,035	22,297	5.4	4.3
1993	105,164	5,558,374	19,951	21,385	n/a	n/a

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of Economic Analysis

MISSOURI DEVELOPMENT FINANCE BOARD

STATE OF MISSOURI DEMOGRAPHIC STATISTICS
POPULATION STATISTICS

Census Year	Population (In Thousands)	% Change	% of Total Urban	% of Total Rural
2010	5,989	7.0	70.44	29.56
2000	5,595	9.3	67.8	32.2
1990	5,117	4.1	68.7	31.3
1980	4,917	5.1	68.1	31.9
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7

Data Sources: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of the Census

MISSOURI DEVELOPMENT FINANCE BOARD

STATE OF MISSOURI ECONOMIC DATA
PRIVATELY OWNED HOUSING UNITS AUTHORIZED BY BUILDING PERMITS

Calendar Year	Number of Units	Valuation (In Thousands)
2012	12,297	$1,878,836
2011	9,242	1,425,673
2010	9,699	1,430,224
2009	10,056	1,433,735
2008	13,273	1,889,739
2007	21,525	3,128,424
2006	29,172	4,086,728
2005	33,114	4,702,016
2004	32,791	4,286,161
2003	29,309	3,596,524
2002	28,255	3,186,632
2001	24,739	2,750,047
2000	24,321	2,569,405
1999	26,840	2,739,418
1998	25,657	2,424,875
1997	25,156	2,265,005
1996	26,298	2,275,667
1995	24,282	2,032,503
1994	26,374	2,149,313
1993	21,702	1,749,828

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce - Census Bureau

MISSOURI DEVELOPMENT FINANCE BOARD

STATE OF MISSOURI
MAJOR EMPLOYERS 2012 AND 2003

2012		
Employer	**Number of Employees**	**Percent of Total State Employment**
1. Wal-Mart Associates, Inc.	20,000 +	> 0.75%
2. University of Missouri	20,000 +	> 0.75%
3. Washington University	15,000 - 20,000	0.56% - 0.75%
4. U.S. Post Office	15,000 - 20,000	0.56% - 0.75%
5. The Boeing Company	10,000 - 15,000	0.37% - 0.56%
6. Department of Corrections	10,000 - 15,000	0.37% - 0.56%
7. Barnes-Jewish Hospital	7,500 - 10,000	0.28% - 0.37%
8. Schnuck Markets, Inc.	7,500 - 10,000	0.28% - 0.37%
9. Department of Veterans Affairs	7,500 - 10,000	0.28% - 0.37%
10. Department of Defense	7,500 - 10,000	0.28% - 0.37%
	120,000 - 150,000	4.48% - 5.6%

2003		
Employer	**Number of Employees**	**Percent of Total State Employment**
1. Wal-Mart Associates, Inc.	20,000 +	> 0.76%
2. University of Missouri	20,000 +	> 0.76%
3. U.S. Post Office	15,000 - 20,000	0.57% - 0.76%
4. Boeing Corporation	10,000 - 15,000	0.37% - 0.57%
5. Schnuck Markets, Inc.	10,000 - 15,000	0.37% - 0.57%
6. Washington University	10,000 - 15,000	0.37% - 0.57%
7. Department of Corrections	7,500 - 10,000	0.28% - 0.37%
8. Barnes-Jewish Hospital	7,500 - 10,000	0.28% - 0.37%
9. Department of Defense	7,500 - 10,000	0.28% - 0.37%
10. Ford Motor Company	7,500 - 10,000	0.28% - 0.37%
	115,000 - 145,000	4.5% - 5.6%

Data Source: The quarterly Census of Employment and Wages. A cooperative program between the U.S. Department of Labor - Bureau of Labor Statistics and the Missouri Department of Economic Development/MERIC

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF EMPLOYEE STATISTICS
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Staff										
Full-time	4	4	5	5	5	5	4	4	3.5	3.5
Accounting Staff										
Full-time	3	3	3	3	2	2	2	2	2.5	2.5
Support Staff										
Full-Time	2	2	2	2	2	2	2	2	2	2
Total Staff	9	9	10	10	9	9	8	8	8	8

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF PROJECTS APPROVED
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Loan Guarantees	-	-	-	-	-	-	-	-	1	-
Bonds										
Private	1	1	4	2	3	7	5	1	2	2
Public	13	6	2	3	9	6	8	5	13	9
MIDOC	2	1	1	1	2	1	3	2	1	-
Tax Credits	3	6	2	3	9	12	6	6	6	4
BUILD	7	4	6	6	4	3	1	3	4	1
MODESA	1	-	-	-	-	-	-	-	-	1
DREAM	-	-	-	5	10	10	10	-	-	-
Small Business Loans	-	13	6	48	-	-	-	-	-	-
	27	31	21	68	37	39	33	17	27	17

MISSOURI DEVELOPMENT FINANCE BOARD

SCHEDULE OF CAPITAL ASSETS
FISCAL YEARS 2004 TO 2013

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Office Buildings	-	-	-	-	1	1	1	1	1	1
Garages [1]	3	3	3	2	2	2	3	2	2	2
Parking capacity	2,680	2,680	2,680	1,930	1,930	1,930	2,431	1,381	1,381	1,381

[1] *Kansas City Library Garage sold May 31, 2008. Fiscal year 2008 had 3 garages for 11 months out of the year.*

MDFB

Missouri Development Finance Board

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